

Vendor Committee Meeting Minutes

June 19, 2015 ♦ DSB Office, Lacey, WA

Members Present: Robert Miller, At-Large, Committee Chairman; Robert Ott, SW Region; Gloria Walling, NW Region; Carrie Arnold, NW Region; Roy Gappert, SW Region; James Janney, NW Region

BEP Staff Present: Jeanne Gallo, BEP Manager; Bobby McCalden, BEP Manager-in-training; Michael MacKillop, DSB Deputy Director; Jim Sutherland, BEP Program Specialist; Liz Tunison, BEP Administrative Assistant

Others in Attendance: Roderick Roberts, BEP Operator; Lee Lensegrav, BEP Operator spouse; Mark Erickson, BEP Operator; Kathy Watkinson, BEP Licensee; Larry Watkinson, BEP Licensee; Bruce Kinnison, BEP Licensee spouse; Shirley Kinnison, BEP Licensee

INTRODUCTIONS

Everyone present introduced themselves, ground rules were discussed and then Jeanne read the agenda.

The Ground Rules

1. Listen and be engaged.
2. No interruptions
3. No side conversation
4. Focus on big picture of program versus being facility specific
5. Turn off/down cell phones

MEETING AGENDA

1. Financial Report for October 2014 to May 2015
 - a) Consumable Inventory Debt owed as of the end of May – Zero
 - b) Rent past due as of the end of May – Zero
 - c) Cash in Bank minus warrants outstanding as of the end of May – \$801,172.59
2. Training Program – Jeanne
 - a) Report on Hadley
 - b) Upcoming New Operator’s Training
 - c) Planning for All State Meeting – topics
3. State’s Nutritional Guidelines – Roy
4. Vending Update – Jeanne
 - a) Country stores
5. BEP Staff Departure & Introductions – Michael & Jeanne
6. Vendor’s Committee by Laws – Robert M.
 - a) Name Change
7. Report on State Rehab Council meeting – Gloria
8. Recruiting Outreach – Gloria
9. Opportunities – Jeanne
 - a) DOT/DOC Goodrich Building, Tumwater
 - b) SSA, Auburn
10. Report on Facilities – Jeanne
 - a) FAA Building, Renton
 - b) EPA building, Seattle
 - c) Puget Sound Navy Shipyard, Bremerton
 - d) Goodrich Building, Tumwater
 - e) King County Courthouse, Seattle
11. Policies / Procedure:
 - a) Dress Code for Facilities – Robert M. & Jim
 - b) Invoicing for reimbursements
 - c) Repair and Maintenance Policy
12. Other Business – Robert M.

MEETING MINUTES- JUNE 19, 2015

1. Financial Report for October 2014 to May 2015
 - Only 4 months left in fiscal year.
 - Some of expenditures were reviewed: \$12K on new equipment, \$37K on replacement of existing equipment, \$17K on equipment repairs, \$14K on facility repairs and \$6800 on BEP Training which is reimbursed by VR.
 - a) Consumable Inventory Debt owed as of the end of May – Zero
 - Currently at zero, but will see a large jump with the transition of ownership in several sites.
 - b) Rent past due as of the end of May – Zero
 - c) Cash in Bank minus warrants outstanding as of the end of May – \$801,172.59
 - While having slightly increased, it will be impacted by the remodel of the recently acquired café in the Tumwater Goodrich building.
 - Jeanne was asked to account in her success at getting consumable inventory debts and rent to zero. She attributes it to asking vendors at initial start-up to sign a letter allowing vending pass-thru and benefit packages to be applied towards debt. This gives them an immediate jump start on paying debt down while they are rent free during first 6 months. Some also sign over their pass thru to be applied towards monthly rent. Vendors also are aware that they cannot bid on another site if they have any outstanding debt to the program so it may provide motivation if they are looking for a loftier opportunity.
-
2. Training Program – Jeanne
 - a) Report on Hadley

- They're supposed to be 11-12 modules, but only 5 have been completed and shared with us. Jeanne went through them and shared feedback with Hadley.
 - BEP has used a module style training program in the past, but it was discontinued.
- b) Upcoming New Operator's Training
- New student starting this summer. He comes with experience from 2 other BEP programs.
 - Will do his On-The-Job experience in Tacoma and Olympia.
- c) Planning for All State Meeting – Topics
- Vendors brainstormed potential topics for All-State which is scheduled for October 23rd and 24th at OB-2 in Olympia.
 - Hiring & how to evaluate applications.
 - Creating Training Manuals.
 - Revisit Equipment Maintenance with Jim as it's his last All-State.
 - How to use social media to build sales.
 - Work-life balance to keep vendors from burning out.
 - New menu ideas from Sysco that meet nutritional guidelines. Would like Sysco to offer product list, recipe cards and food pricing.
 - Retirement options.
 - Customer services.
 - Prevailing wages.
 - New accessible technology.
 - Catering

3. State's Nutritional Guidelines – Roy

- Be aware of their suggestions that may impact your business. Stay open-minded and embrace healthy options. But stay mindful that DOH isn't always approaching things from a business perspective. Roy will continue to attend the monthly meetings as it's vital for BEP vendors to have a voice.
- Several attendees questioned the allowance of things such as bake sales for the Combined Fund Drive or employee potlucks that seem counter intuitive of the Governor's Executive Order. It also impacts BEP Vendors who are expected to serve healthy products, but are then competing with the unhealthy fare the facility staff is encouraged to partake in.
- Attendees also voiced concern about privately owned cafes in state facilities being held to the same healthy guidelines as the BEP Vendors.

4. Vending Update – Jeanne

a) Country stores:

- BEP was made aware of a situation where a state employee was selling food & beverage items in competition with vending machines. They sell at lower price and the money goes into an "employee fund". This obviously makes a huge impact on vending profitability. Especially when they aren't obligated abide by 50% healthy guidelines. These "country stores" create an ethical issue as the state employee is operating a business while on state time. Jeanne followed up with the agency's auditor and an investigation was performed. As a result each office of the agency was sent a letter to cease & desist from selling merchandise. Each office is supposed to confirm their vending is

under contract with us and BEP has been contacted by a few. We're hoping this will result in a profit increase.

5. BEP Staff Departure & Introductions – Michael & Jeanne
 - Michael MacKillop introduced Bobby McCalden, the new BEP Manager, and described the experience and background that made Bobby a good fit for the program
 - Bobby shared that he knew he had big shoes to fill with Jeanne's departure. He is committed to doing his best and will be reaching out to the vendors and DSB staff for assistance. He's excited to be here.
 - Michael gave a big thank you to Jeanne for all her years of service. He expressed that everyone has truly appreciated her.
 - Several of the attendees shared their gratitude of Jeanne. They conveyed that Jeanne truly took ownership and turned the program around. She built a partnership with the vendors and many consider her family.
 - Jeanne shared that this was the best job she ever had and hoped she left the facilities better.

6. Vendor's Committee By-Laws – Robert M.
 - a) Name Change
 - In the By-Laws, "Vendor" was changed to "Entrepreneur". Per the Attorney General, we should use the phrase "Vendor" to parallel its use in state and federal law.
 - Vendor committee voted to change "entrepreneur" back to "vendor" effective immediately. The Committee By-Laws will be updated.

7. Report on State Rehab Council meeting – Gloria
 - Nothing new to report

8. Recruiting Outreach – Gloria
 - Washington Council for the Blind (WCB) is holding its convention in November 5th through 7th in SeaTac. DSB will have a table. Would like to have a BEP Vendor and staff member present to recruit potential entrepreneurs.
 - James Janney will find out about NFB Convention and share the information at the next meeting in September.

9. Opportunities – Jeanne
 - a) DOT/DOC Goodrich Building, Tumwater
 - Previous owner vacating today. Facility will undergo some minor remodeling, including new flooring and relocating of hot water tank.
 - Prior service issue complaints around pricing and speed of service.
 - Focus will be on salads and sandwiches built to order.
 - Facility will open early July once remodeling is complete.
 - b) SSA, Auburn
 - Micromarkets were installed successfully.

10. Report on Facilities – Jeanne
 - a) FAA Building, Renton
 - Notice of Availability going out soon.
 - FAA is consolidating with a new building going into Des Moines. BEP hopes to move with them.
 - b) EPA building, Seattle
 - Opened June 15th.

- Sales are slow. Will take a while to build business up.
- Great menu.
- c) Puget Sound Navy Shipyard, Bremerton
 - Been challenging for BEP and incoming vendor getting access onto base.
 - Will open on July 6th with new vendor. Prior vendor is excited about well-earned retirement.
- d) Goodrich Building, Tumwater
 - Discussed in prior section
- e) King County Courthouse, Seattle
 - Closes on June 30th and new vendor will open on July 6th.

11. Policies /Procedure:

- a) Dress Code for Facilities – Robert M. & Jim
 - Topic tabled until next meeting.
- b) Invoicing for reimbursements
 - When submitting a bill to BEP for reimbursement, the vendor should attach their own invoice for amount BEP needs to reimbursement minus the \$350 they are responsible for. This would ensure the reimbursement goes to back to the business rather than being paid to the individual.
 - Was agreed this should be made policy
- c) Repair and Maintenance Policy
 - Discussion was around the responsibility of a hood cleaning bill for a new vendor who's been on-site less than a year. On the Capitol campus, hoods must be cleaned annually. Vendor didn't agree in having to paying full amount, but after discussion amongst all present, it was concluded that hood cleaning is preventative maintenance and vendors are 100% responsible for those costs.

- Suggested that more discussion go into this during BEP training. Important to encourage new vendors to set aside funds for maintenance and repairs, especially during first 6 months when they are free of any repair bills.
- The idea of prorating invoices was rejected as it could result in every bill putting up to debate.
- BEP gets stuck with numerous maintenance bills when vendors leave without much notice. The idea of having vendors provide a deposit has been brought up in the past and should be discussed as a possibility in a future meeting. This would help offset some of the costs the program incurs.

12. Other Business – Robert M.

- Reseller permits are now taking 4-6 weeks to obtain. Discussion about possibly changing rules to require longer notice to allow time for incoming vendor to get paperwork.
- Talking cash registers are no longer being made. Industry is now leaning towards tablets.
- Pierce County is building new administration building. Expect Annex to close down. May be an opportunity for the program.
- UW will be doing more data collecting during July and August for the Dept of Health's healthy requirements.
- Continued with the discussion from prior meeting regarding leaving Puget Sound Naval Shipyard as two separate sites. Each site has its limitations and it's uncertain if the locations could be viable as two separate businesses. Incoming vendor approached committee with concerns regarding taking on 2nd site on emergency contract and wanting both sites considered one facility. This

would require putting sites out for rebid. Committee weighed pros and cons of all scenarios. At this time, they opted to let it stand as is with the 2 year emergency agreement on the portable building. But further discussion should be had as the emergency contract end date approaches.

Note: The next meeting is tentatively scheduled for September 25, 2015. Its location will be determined at a later time. If you need information, please call Liz at 360-725-3845.

CD recordings of the meeting are available upon request.