

BEP VENDOR COMMITTEE MEETING MINUTES

APRIL 22, 2016 • DSB, SEATTLE, WA

Vendor Committee Members Present

- Robert Miller, At-Large, Committee Chairman
- Robert Ott, SW Region
- James Janney, NW Region
- Jacob Kamaunu, NW Region
- Carrie Arnold, NW Region
- Roy Gappert, SW Region

BEP Staff Present

- Bobby McCalden, BEP Manager
- Jim Sutherland
- Liz Tunison

Others in Attendance

- Gloria Walling, BEP Operator
- Robert Martin, BEP Operator
- Roderick Roberts, BEP Operator
- Peter Szeto, BEP Licensee
- John Bechtel, BEP Student

Introductions

- Meeting was called to order and everyone present introduced themselves.
- Agenda was read.

MEETING AGENDA- APRIL 22, 1016

1. Financial Report for October 2015 to March 2016
 - a) Consumable Inventory Debt owed Through April 11 - \$
 - b) Rent past due as of through March 2016 - \$
 - c) Cash in Bank minus warrants outstanding as of the end of March - \$
 - d) Revenues
 - e) Expenditures
2. Training Updates

- a) Class status
 - b) Internship result
 - c) Counselors asking about paid internships – not only BEP candidates
3. State's Nutritional Guidelines
- a) Operators and BEP staff attended Wellness Coordinator meeting Feb
 - b) Individual evaluation reviews being conducted w/action plans
 - c) December 2016 is deadline for implementation
 - d) DOH suggesting changes to vending guidelines
4. Vending Update
- a) Country stores – because of Executive Order, more requests are coming in for a solution to healthy and attractive items from wellness coordinators and unique diet people
 - b) Micromarkets - Very successful and desirable to many buildings.
 - c) Capitol Campus agreement between contractors
 - d) Coke introduced idea of group pricing
5. Companies wanting your business
- a) Coffee
 - b) Produce
 - c) Coke
6. Campus Rent discussions with DES and OFM
7. Opportunities
- a) 1063 Building on campus – not currently an opportunity
 - b) FAA building - lease signed for construction. Permit or Contract? (GSA or FAA)
 - c) Snohomish County – waiting on funding and approval
 - d) Tacoma City/County – waiting on funding and approval
8. Report on Facilities
- a) FAA Building, Renton – Building is happy, vendor is happy. Challenging situation with only two employees.
 - b) Puget Sound Navy Shipyard, Bremerton – access to base
 - c) Goodrich Building, Tumwater
 - d) King County Courthouse, Seattle
 - e) Pritchard/Leg
9. HLB/HCA possible future combination
10. GSA Arbitration in Oregon - results
11. Sagebrush and Blast Conferences
- a) One vendor attended Sagebrush

- BLAST – May 17 – 20, Chicago -Two vendors confirmed plus Bobby
- 12. Upcoming BEP Staff changes 2016
 - a) Discuss timeline
- 13. All State Planning
 - a) Possible location
 - b) Possible topics
- 14. Report on State Rehab Council meeting and Recruiting Outreach
 - a) Bobby and Gloria presented at SRC meeting
 - Vancouver wants BEP sites
 - Talked about vending as funding and healthy effects
 - Gave general update on amount of sites and operators
- 15. Other Business – Robert M.

MEETING MINUTES- APRIL 22, 2016

1. Financial Report for October 2015 to March 2016
 - a) Consumable Inventory Debt owed Through April 11 - \$10,380
 - b) Rent past due as of through March 2016 - \$244
 - c) Cash in Bank minus warrants outstanding as of the end of March - \$585,928
 - d) Revenues- \$414,582 total. State revenue is \$222,939 which is 3.7% above prior year. Seeing monthly fluctuation, but slight increase. Federal revenue is trending higher that past year at \$191,643 total. This would potentially result in larger benefit check in January. It was suggested by committee member that vendors might consider voting to direct some of those extra funds back into preserving the program.
 - e) Expenditures-\$66,000 for Equipment repairs and replacement. Trending at about 50% of what was spent prior year. Without new facilities in the plans, most expenditures are going towards maintenance and equipment replacement.
 - f) Status of Program- Balance is low. Been on decline prior to Bobby's arrival. Bobby is trying to find ways to save money and cut spending when possible. Also, trying to look for ways to increase vending revenue with influx of micromarkets. It was discussed that due to inflation, vendors soon might need to vote to increase maintenance contribution. Operators are encouraged to stay on top of routine equipment maintenance to

save everyone money. BEP is still seeing facilities following short in this area. Also, BEP will need to be cautious accepting any new facilities and be diligent in researching potential for business success before investing in startup costs. Vendors also hope agency understands the business side & expenses and why BEP can't open sites in every government building.

2. Training Updates

- a) Class status- One current student started on Wednesday. He was present and introduced him.
- b) Internship result- Recently had intern working at a BEP cafe to determine if the program was something they wished to pursue. Upon completion they opted not to enter training. Internships are valuable tool for potential BEP clients to be exposed to restaurant industry and too conclude if BEP might be a good fit.
- c) Counselors asking about paid internships – not only BEP candidates. Vendors should consider offering internships as its extra labor, it's for a short length of time and they are giving back to the agency. They might make a positive difference for someone trying to get back or brand new to the work force.

3. State's Nutritional Guidelines

- a) Operators and BEP staff attended Wellness Coordinator meeting February.
- b) Individual evaluation reviews being conducted w/action plans. Bobby attended as an observer as vendors are independent business owners. No surprising results. Vendors are on point with most guidelines and in offering healthy options.
- c) December 2016 is deadline for implementation.
- d) DOH suggesting changes to vending guidelines- DOH suggested using school guidelines for healthy vending options. BEP opposes as does various vending companies that were polled. The items are generally marketed towards kids and wouldn't translate to an adult market. There is difficulty in finding qualifying products in general. BEP has real concerns about the financial impact these requirements will have on vending commissions. The ability to sustain the program weighs heavily on the profitability of contracted vending service.
- e) Further thoughts- Concerns that the original emphasis on adding healthy options is currently being shifted towards

requests to eliminate items. This will potentially impact vendor's ability to be successful/profitable. There seems to be continual push for change with limited understanding or concern for the business impact. Vendors agree they are happy to attempt to honor requests as long as it doesn't limit the customers' choices. Offering healthy options should bring in more business, but eliminating items drives existing customers elsewhere. Vendors on Capitol Campus are encouraged to attend the monthly DOH meetings as it would open even more dialogue. It was suggested that BEP invite DOH to meet with them as a group to discuss evaluations.

4. Vending Update

- a) Country stores – because of Executive Order, more requests are coming in for a solution to healthy and attractive items from wellness coordinators and unique diet people. BEP is working to discourage this as the impact on vending and the program is massive.
- b) Micromarkets - Very successful and desirable to many buildings. Requests continue to come in. Within the Olympia area, Evergreen/Avanti, is working diligently to place markets where suitable. There is an evident growth in sales where these markets are placed as there is such an increase in options for customers to purchase from.
- c) Capitol Campus agreement between contractors- Bobby has been working with Coca-Cola and Evergreen to reach an agreement on beverages sold in Evergreen's micromarkets. A solution has been met and the contractual paperwork needs to be finalized. It should result in a win-win solution for all parties and especially for the customers requesting a variety of beverages.
- d) Coke introduced idea of group pricing- They would like to offer competitive pricing to BEP Operators with a set pricing structure.

5. Companies wanting your business

- a) Coffee- Martin Coffee Roasters out of Puyallup provided multiple samples of drip & espresso coffee for interested vendors to sample in their facilities. Their pricing is competitive

and they specialize in on-site training. They are interested in gaining vendor's business.

- b) Produce- Jim provided the number for Northwest Fruit & Produce as an alternative source for veggies. Several vendors complained at prior meeting about current produce quality they were purchasing. Jim provided contact information for vendors if interested.
 - c) Coke- Already mentioned that they would like entice vendors to swap to Coca-Cola fountain drinks where applicable in turn for discounted group pricing. Apparently there is supposed to be RSA pricing with Coke, but vendors haven't found a rep that is familiar with it. Asked that Bobby try to get details while attending BLAST in May.
6. Campus Rent discussions with DES and OFM- In progress.
7. Opportunities
- a) 1063 Building on campus – not currently an opportunity. They never intended to have foodservice on site, so plans were vetoed as there wasn't resources to have it added. Will be restricted to vending.
 - b) FAA building - lease signed for construction. Permit or Contract? (GSA or FAA). New location being prepped for construction. Hoping to get permit with GSA rather than a contract.
 - c) Snohomish County – waiting on funding and approval.
 - d) Tacoma City/County – waiting on funding and approval
8. Report on Facilities
- a) FAA Building, Renton – Building is happy & vendor is happy. Challenging situation with only two employees. Working with vendor to utilize temp agency for emergency staff situations.
 - b) Puget Sound Navy Shipyard, Bremerton – Only 1 parking spot between both facilities. Vendor has to pay for each employee's Rapid Gate pass, which can add up if there is staff turnover. Sysco can only deliver to one location and vendor must arrange to have product driven over to second site. No prep space or storage at site 2. Discussion continued about potentially combining the 2 separation locations. Committee agreed that in consideration of all the challenges with the second site, it

wasn't likely that a separate operator could successfully operate it independently from first site. Bobby will bring the recommendation to the agency and make final decision.

- c) Goodrich Building, Tumwater- Doing well. Continuing to grow business.
 - d) King County Courthouse, Seattle- Doing well. Continuing to grow business
 - e) Pritchard/Legislative Building- Had a successful legislative session. Pritchard closed in March.
9. HLB/HCA possible future combination- Discussed possibility of combining the 2 sites when the next bid goes out. HLB could be the required commissary for HCA. Would be a great opportunity for vendor. Current operators have worked diligently to build the businesses. If no one bids on them they may remain separate.
10. GSA Arbitration in Oregon – results. Oregon Commission for the Blind sued US Department of Veteran's Affairs for failing to follow RSA at White City facility in Medford. Since 2009 the state has been trying to obtain a permit for vending, but VA declared they were exempt. A panel of arbitrators said VA wasn't exempt. In the end, the state won.
11. Sagebrush and Blast Conferences
- a) One vendor attended Sagebrush.
 - b) BLAST – May 17 – 20, Chicago
 - Two vendors confirmed plus Bobby
12. Upcoming BEP Staff changes 2016
- a) Discuss timeline- Jim Sutherland will be retiring in December. Hoping to post job opening by mid-May and be offering position by start of August. Would provide ample time for Jim to train replacement. Committee would like a member to review applications and participate in interviews. Several vendors were interested in contributing their time.
13. All State Planning
- a) Possible location- Decided it would remain in Olympia at a BEP Facility. Would be between NRB or OB2. Will be held on October 28-29th.

- b) Possible topics-
 - Impact of \$15/hour minimum wage & ways to streamline business to soften impact.
 - Automated menu boards to interact with POS system.
 - Social Media
 - Voice activated POS technology
 - DSB AT Lab-share equipment that would apply to the restaurant business.
 - Chef Meeker with Sysco
 - Sexual Harassment
 - Jim to discuss equipment maintenance for his last meeting.

- 14. Report on State Rehab Council meeting and Recruiting Outreach
 - a) Bobby and Gloria presented at SRC meeting
 - Vancouver wants BEP sites
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 - Gave general update on amount of sites and operators

- 15. Other Business – Robert M.
 - Committed voted to have a meeting in June rather than waiting until September. Felt there was too much going on with DOH requirements and Jim’s impending retirement.

CD recordings of the meeting are available upon request.