

BEP VENDOR COMMITTEE MEETING MINUTES

JANUARY 22, 2016 • NRB, OLYMPIA, WA

ATTENDANCE

Vendor Committee Members Present

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

BEP Staff Present

- Bobby McCalden, BEP Manager

Others in Attendance

- Robert Martin, BEP Operator
- Joaquin Luna, BEP Licensee

INTRODUCTIONS

- Meeting was called to order and everyone present introduced themselves.
- Robert Miller suggested that committee members who can't attend can send a proxy in their place.
- Agenda was read.
- Robert Miller thanked Gloria Miller for all of her dedication and efforts over the years as a committee member. It's been much appreciated.

MEETING AGENDA- JANUARY 22, 1016

1. Election results and Election of Chair and Vice Chair for 2016
2. Financial Report for October 2015 to December 2015

- a) Consumable Inventory Debt owed as of the end of December - \$
- b) Rent past due as of January 2016 - \$
- c) Cash in Bank minus warrants outstanding as of the end of December - \$
3. Training Program – Bobby
 - a) Testing one prospective student
 - b) One Prospective student to do working internship
 - c) One prospective student to do 1 week observation/shadow
4. State’s Nutritional Guidelines:
 - a) UW evaluation complete – results presented Jan. 28 at DOH
 - b) December 2016 is deadline for implementation
5. Vending Update: – Bobby (if necessary)
 - a) Country stores
 - b) MicroMarkets
6. Report on State Rehab Council meeting and Recruiting Outreach:
 - a) SRC Legislative Reception Jan 20
7. Legislative updates
8. Opportunities – Bobby
 - a) 1063 Building on campus – end of 2017
 - b) FAA building
 - c) Snohomish County
 - d) Tacoma City/County
 - e) Bellevue City Hall
9. Report on Facilities - Bobby
 - a) FAA Building, Renton
 - b) Puget Sound Navy Shipyard, Bremerton
 - c) Goodrich Building, Tumwater
 - d) King County Courthouse, Seattle

- e) Pritchard/Leg
- 10. HLB/HCA possible future combination
- 11. GSA Arbitration in Oregon update
- 12. Sagebrush and Blast Conferences
 - a) Sagebrush – Feb 15 – 19, Las Vegas, 4 nights
 - Hotel - \$75/night
 - Flight - \$250
 - Registration \$225
 - b) BLAST – May 17 – 20, Chicago, 3-4 nights (Disney \$100)
 - Hotel \$159/night
 - Flight-\$250
 - Registration \$200
- 13. All State Planning
- 14. Upcoming BEP Staff changes 2016
 - a) Discuss timeline
- 15. Other Business – Robert M.

MEETING MINUTES- JANUARY 22, 2016

- 1. Election results and Election of Chair & Vice-Chair for 2016.
 - a) Jacob Kamaunu new NW committee member.
 - b) Robert Miller was nominated and elected as Committee Chair.
 - c) Robert Ott was nominated and elected as Committee Vice-Chair.
- 2. Financial Report for October 2015 to December 2015.
 - a) Consumable Inventory Debt owed as of the end of December \$14, 789. Big decrease due to usage of benefit checks to pay down debt. Debt was about \$50k at end of 2015.
 - b) Rent past due as of January 2016 - \$0

- c) Cash in Bank minus warrants outstanding as of the end of December - \$750K.
 - From 2015 RSA report, vendor total sales were over 7 million. 4% increase from prior year. Average vendor income was about \$72K and the median income was \$49K. Both up from past year.
 - Matchable expenditures were \$722K. Federal vending revenue was \$247K. State & Local vending revenue was \$495K. All up from last year, but state revenue barely increased.
3. Training Program – Bobby
- a) Testing one prospective student with prior industry experience. Mostly likely to be participate in upcoming training class in late March/early April.
 - b) One Prospective student to do working internship. No prior restaurant experience so internship will provide exposure to the industry to decide if BEP or even hourly employment is something they'd like to pursue.
 - c) One prospective student to do 1 week observation/shadow. They've had some retail experience, but minimal.
 - Would prefer to have class with more than one student.
 - Bobby discussed his outreach to recruit quality candidates thru building relationships with DSB counselors. He also has connected with Lighthouse for the Blind. Also, he met with School for the Blind in Vancouver to discuss potential training possibilities.
 - The Hadley-Cooper BEP online training courses were discussed as a potential tool to supplement BEP training program. Bobby foresees an eventual evolution in our current training program to maximize resources and give students the best opportunity for future success.
4. State's Nutritional Guidelines:
- a) UW evaluation complete – results presented Jan. 28 at DOH.
 - b) December 2016 is deadline for implementation.

- Vendors in state programs are welcome to attend or listen via phone to presentation on 1/28/16.
 - On 2/22/16, DOH is providing Wellness Coordinator Training. Zena Edwards will also share concepts on Stealth Health. This training will aid in getting everyone working on a united approach concerning the Executive Order. Vendors are encouraged to participate. Information will be emailed.
 - State BEP Operators and Vending companies have until end of December to be compliant with DOH guidelines.
 - Evergreen Vending, the snack vendor on the Capitol Campus, has been working with DOH to find products that meet guidelines. They also have select locations set up at 50% and they will be monitoring the sales and sharing with DOH. Evergreen Vending has put a lot of time and energy into working with DOH even though it may result in lost revenue for them.
5. Vending Update: – Bobby (if necessary)
- a) Country stores-not discussed.
 - b) MicroMarkets - Vending commissions have increased in facilities where micromarkets have been installed. Customers perceive the same item as healthier when shopping a micromarket versus a vending machine. Overall, unhealthy items outsell the healthy ones in all locations, whether sold out of a machine or in a micromarket.
 - It was asked if a BEP Vendor could operate micromarkets, but they would have to operate many to consider it a vending route. They are expensive to set up and it would be a huge cost to the program. Ultimately it would impact the program's revenue if the accounts went to an operator and the program would be forced to find other means to support itself.
6. Report on State Rehab Council meeting and Recruiting Outreach:
- a) SRC Legislative Reception Jan 20

- Bobby attended with Gloria. Over 150 people were present.
- The SRC is a group who advocates for Washingtonians with disabilities who are employed and achieving economic advancement.

7. Legislative updates

- a) Nothing impacting program. Nothing on rest areas at this time.
- b) There is House Bill 2798 2015-16 that wants warning labels on sugar-sweetened beverages. Everyone would be impacted, but it might be too difficult to enforce on a state level.
- c) Wage increases were discussed. Vendors in Tacoma and Seattle already hit with the incremental wage increases. Discussion on how to offset it were discussed. Menu prices will need to increase annually. Further it was discussed that as a business owner one should evaluate everything to save money and time. Analyze staff productivity. Examine portion control and food waste. Work together with your team to be efficient. There was also conversation about implementing earned pay raises for seasoned employees and budgeting that in. Also the price of digital menu boards to keep up with price increases were deliberated but the overall cost to purchase and maintain is high.

8. Opportunities – Bobby

- a) 1063 Building on campus – end of 2017
 - Construction under way. Anticipate 700-900 staff made up of WSP, OFM and others. Sits next to 3 local popular competitors.
 - No original plans for dining space. Offered BEP about 150 sq. feet of space. If BEP passes, no food service would be put in.
 - BEP has plans for an espresso cart/grab & go, but wants to see if more space for larger facility could be created.
 - The potential for success & profitability of the space was discussed. Unsure if it could stand alone or need to be linked with another facility. Would an operator be able to

make a profit in such a tiny space with competition next door? BEP doesn't want to pass on an opportunity, but they also don't want to set a vendor up for failure. Important for BEP to have a presence. More discussion is needed and Bobby will find out if more space is available.

- b) FAA building- Currently in planning phase. Would consolidate 3 existing FAA locations. Anticipate current vendor moving to this location.
 - c) Snohomish County- Project is at a standstill at this time.
 - d) Tacoma City/County- Project is at standstill at this time.
 - e) Bellevue City Hall- Out for bid. Didn't approach BEP. Bobby will inquire, but understands the rocky relationship BEP experienced in the past.
9. Report on Facilities - Bobby
- a) FAA Building, Renton
 - Vendor that started in September is doing well. Positive customer comments and no facility issues. Opportunity to increase sales and vendor likes the challenge.
 - b) Puget Sound Navy Shipyard, Bremerton
 - Several equipment and facility repairs discovered in the transition. Vendor has really taken ownership by tackling facility projects such as painting. Crew seems to be thriving under the new leadership. Vendor is working to increase sales.
 - c) Goodrich Building, Tumwater
 - Strong staff. Facility happy with operator. Diligently working to increase sales.
 - d) King County Courthouse, Seattle
 - Vendor was present and reported all is going well. Met with new facility management who wasn't aware of BEP program. Staff seem happy and sales have been strong.
 - e) Pritchard/Leg- Not discussed.
10. HLB/HCA possible future combination

- a) Considering combining the two when emergency contracts expire. Will need to discuss with DOH if HLB can be HCA's commissary.
 - b) Will be discussed more at next meeting.
11. GSA Arbitration in Oregon update- not discussed.
12. Sagebrush and Blast Conferences
- a) Sagebrush – Feb 15 – 19, Las Vegas, 4 nights
 - Hotel - \$75/night
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 - c) Emails have gone out about both events. No one expressed interest in attending Sagebrush. James Janney would like to attend BLAST. Bobby would like to attend both, but concerned about costs. Please contact Bobby for details if interested.
13. All State Planning
- a) Due to time constraints, this will be discussed next meeting. Committee asked to bring potential topic ideas, feedback from last meeting and thoughts on location.
14. Upcoming BEP Staff changes 2016
- a) Discuss timeline
 - Jim Sutherland will be retiring sometime between June and September 2016. Since the process of recruiting, hiring, and training is timely, Bobby must move quickly on this. Asked for vendor's feedback on what traits/job details should be sought in Jim's replacement.
 - Traits included prior restaurant management experience, knowledge of equipment maintenance, ability to juggle multiple ongoing projects, strong problem-solving skills,

good communication skills to work with a variety of people, a good listener, someone that can adapt to changing demands, someone that pushes for everyone's success and cares about clients, someone that understands good business practices and someone that can teach/share knowledge. Someone that is engaged and not desk-bound.

- Please contact Bobby before March 1st if you wish to discuss further.

15. Other Business – Robert M.

- a) Earlier in meeting, James Janney shared his concerns with the Washington Lottery commission on winning lottery decreasing from 6% to 5%. Impacting his profits. Encouraged those present to reach out to legislators concerning this. Vendors would have to do this as a group, separate from DSB/BEP.

CD recordings of the meeting are available upon request.