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**COMMITTEE OF BLIND VENDORS  
QUARTERLY MEETING  
July 28<sup>th</sup>, 2022**

**Members Present:** Mac Carnes, Todd Freeman, Lynn Florence, Vice-Chair, Jerry Grimes, Larry Hall, Chair, Clyde 'Buster' Mayne, Chris Miller, Justin Purvis, Cramer Schneider, Todd Stephens, and Ronnie Wheatley

**Staff Present:** Corey Marcum, Director, Kentucky Business Enterprise (KBE), Jennifer Wright, Assistant Director, Nanci Howard and Janice Jackson, Administrative Assistants, Jason Wathen, Food Service Coordinator, Aaron Christy, Vending Coordinator, Robert Reed, Vending Repair Tech, Dondra Meredith, Cabinet Legal Counsel

**Guests Present:** Mary McLemore, Charles Dorsey, Katherine Gore

Roll call was taken and a quorum was present. The meeting was called to order at 4:09pm ET.

An invocation was given by Cramer Schneider.

**Approval of Quarterly & Special Called Minutes:**

Todd Stephens entertained a motion to accept the April 28<sup>th</sup>, 2022 quarterly minutes and the June 22, 2022 special called meeting as distributed. Jerry Grimes seconded the motion and it carried unanimously.

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### **KBE Director's Report :**

Corey Marcum stated that he and Assistant Director, Jennifer Wright, had been invited to attend the annual meeting of the Tennessee Business Enterprise the following week. He hopes to gain more information to help the KBE program.

Mr. Marcum said they were starting up some new vending new satellite locations to build up vendors' income and to help offset Covid losses. Machines were installed at the Roederer Correctional Complex and the Luther Lockett Correctional Complex for Chris Miller. Machines were also installed at a Toyota supplier in Midway to support vendor, Charles Dorsey. He said the agency continues to look for areas of growth.

He announced that KBE has brought on new staff members. Aaron Christy is the new Vending Program Coordinator and the two repair technicians are Robert Reed and Josh McFarland.

Mr. Marcum continued to report that KBE has chosen a new statewide teaming partner, Southern Foodservice Management of Birmingham, Alabama. This will allow KBE to take advantage of any opportunity that comes our way.

He also mentioned that KBE has added 14 locations of Franklin County Schools. He stated that the bid for this had been awarded to vendor, Jerry Grimes.

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Staff attended a demonstration of an electronic locking system that would allow each vendor to use one lock and key for all locations instead of multiple ones. He further stated that the locks would be unique to each person and will streamline vendor's operations.

He reported that staff attended the Performance Foods Group food show in Somerset to see what type of items they were offering to vendors. He said that staff will continue to consider other suppliers for vendors that can carry substitute products.

KBE is involved with the planning of the remodeling of the American Printing House (APH). He stated that the vendor, Lynn Florence, will have a unique facility once it's completed. KBE remains in partnership with APH and will continue to remain partners. He told the group that KBE would be installing a micromarket there to serve the facility during the renovations.

Mr. Marcum went over the data from the RSA 15, which is the Rehabilitation Services Administration's report completed yearly by KBE. The 2021 data showed a marked decrease in the revenue of the vendors. In the last pre-covid year, 2019, KBE's gross sales were over \$21 million. For 2021 they only reached \$9,745,428. He further stated that in 2021 KBE was responsible for 360 jobs across the state and in 2019 they had employed 999 people. Mr. Marcum provided information to the committee regarding payroll differences between 2019 and 2021, as well as the differences in set aside amounts,

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unassigned vending and the cost of goods sold. Unfortunately, there was a significant decrease in every category. The RSA 15 is normally due by the end of each calendar year and reported out in the January committee meeting. Due to internal processes at RSA, they couldn't accept agencies reports till the end of April this year. He told the group that the report showed that KBE financials are different than in 2019, just like the vendors.

KBE will continue to look for areas of new opportunities to help supplement vendors income. Mr. Marcum stressed the importance of 8(a) certifications for vendors in getting government contracts.

He informed the committee that many vendor repair companies are experiencing longer wait time for repairs across the board. He gave the example of an ice machine currently waiting to be repaired. He stated it could be four to six weeks to repair it. It is an external issue and nothing that could be done by KBE to expedite it.

Mr. Marcum concluded his report by informing the committee that Cantaloupe, the main software that runs credit cards processes on vending machines has been bought out by another company. This may cause delays in fixing credit card issues. There is no equipment to fix the credit card readers should they break down. He wanted the committee to be aware of these changes.

Mr. Marcum asked if there were any questions.

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Committee member, Mac Carnes, asked about the new veteran's hospital in Louisville and wanted an update on it and if KBE had inquired about vending there. Mr. Marcum stated he has not been able to identify any contacts with the veteran's hospital vending. He said he would try to reach out to them again but does not know who to contact at this time. He also mentioned this has not gone through the GSA channels. Mr. Carnes said it might have been before Mr. Marcum's time with KBE but there had been quite a bit of talk about it for a while and faded out. Mr. Marcum said that veteran's hospitals and the Randolph-Sheppard program have a different relationship than other federal entities and could run parallel to each other. He said KBE will continue to investigate this.

Chris Miller stated he had been in contact with Cantaloupe earlier that day and was told that card readers would have to be replaced by the end of the year. Cabinet attorney, Dondra Meredith, asked if KBE has a contract with Cantaloupe. Mr. Marcum stated KBE has a contract with National Vending with Greenlight and that Greenlight is supported by Cantaloupe. Ms. Meredith said that she would like to discuss this with Mr. Marcum due to her understanding they are to provide vendors with working equipment. Mr. Marcum said the new company cannot receive the parts to fix them. Mr. Stephens asked how long it will take, due to the possibility of profit loss. Mr. Marcum answered he had not been given a timeframe. He stated that he and Ms. Meredith would discuss and explore what options are available.

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Chair Hall asked if any blind vendors were going to the Tennessee Business Enterprise meeting. Mr. Marcum said the invitation email had been sent to vendors, but he had not heard from any that they were planning to attend.

### **Chair Report:**

Chair Hall began by stating that he understands businesses are hurting with getting supplies, etc. He said the way the vendors are doing business has to change. Mr. Hall said discussion occurred between himself and Mr. Marcum on how to facilitate the change. He said they discussed shutting down food service locations on Mondays and Fridays but are unsure of how the employees would feel about that.

Chair Hall stated he had been pushing for several months to provide vending at the state prison commissaries. He said there are several factors involved. He explained the same company who has had them for years, but they now want out. He further explained the request for proposal (RFP) was distributed and if stays the same, there are indicators that vendors should consider. He provided several examples such as kiosks instead of manned windows, etc. Mr. Hall stated that he had tried to arrange a meeting, through higher ups, with the Department of Corrections to discuss different terms for the RFP, but it had not been set up at this time. He also stated that Mr. Marcum believes there is not enough money to be made at the commissaries. He continued his report to say that KBE staff are working on vending in other parts of the prisons such as administration, training and staff vending.

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Mr. Hall concluded his report and opened the floor for suggestions from the committee.

Mr. Carnes suggested sticking with vending and attempting to leave the food service business in smaller facilities. This could eliminate labor costs for vendors. Mr. Hall stated that unfortunately the agency has contracts with food operations in state and federal buildings. He said that he looks towards the future and thanked Mr. Carnes for his comments.

Prison visitation vending was discussed. Mr. Marcum said KBE has asked for vending at all the prisons and every effort is being made to ensure staff vending opportunities are available for vendors. He said visitation vending is part of the current RFP and poses an issue. He stated there is no vending in the face-to-face visitation because inmate vending has not occurred for two and a half years, and some prisons indicate they may never go back to it. He also stated that Department of Corrections won't separate it from the commissaries because the inmate accounts are connected for both.

Chair Hall stated the agency will have to do a better job finding locations. He asked the committee for their opinion on how they can bridge the gap with employees continuing to work from home. How we can we move forward? Justin Purvis spoke about hybridization such as scan, pay and go kiosks. He also briefly mentioned purchasing other higher ticket vending machines that dispense pizza, hamburgers, sushi, etc. Mr. Purvis said the program

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needs to investigate this further and mini micro-markets should be the way of the future. Chair Hall stated Justin's presented some interesting concepts.

Vice Chair Lynn Florence spoke on how the American Printing House has only half their staff and there is still a mask mandate in the building. She stated she does her specials on Monday, Tuesday, and Wednesday and none on Friday. She suggested that streamlining processes could possibly help vendors.

Mr. Schneider asked if vendors had noticed Coke prices had gone up in the last couple of weeks across the board. Mr. Marcum stated that the renewal state contract pricing had increased. It is now \$10.50 for a 24 case. Ms. Meredith stated vendors are receiving somewhat of a discount for Coke and provided an example of the cost purchased by those running high school concession stands. She said it is more expensive than what the vendors are paying. Chair Hall stated he spoke to Pepsi and said they are in the same circumstance as Coke and cannot keep workers. Mr. Schneider proposed the question of why Coke was given the state contract and not Pepsi. What bargaining power did the vendors or agency have. Discussion was held regarding the price of Coke. Ms. Florence asked what every vendor was charging for their tea and other drinks. Discussion was held regarding the prices of these items. Chair Hall stated his pricing, as well as others. Clyde 'Buster' Mayne said he never bought things from Coke such as teas and Monster drinks. He said that he always bought them from Sam's Club and



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put items in a different cooler that did not belong to Coke so there was nothing Coke could do about it.

Mr. Marcum said that as the agency is looking at new opportunities, they are being asked by the proposed location if we have any 8(a) certified vendors. Businesses get breaks from the federal government for using 8(a) businesses. He explained, that for blind vendors, this certification falls within disadvantaged business owners. He stressed the importance of becoming an 8(a) certified business. The way the program works, individual vendors must become an 8(a) owned business on their own, outside of the agency. He reminded them that an email was sent out to all vendors, twice in the past two weeks, about 8(a) certification. It included information and a video about the program, the Small Business Administration and how to become certified. Chair Hall encouraged the committee to take advantage of the opportunity. Mr. Marcum stated that he has reached out to the Small Business Administration (SBA) to speak to the committee but that there has been no response yet. Mr. Stephens mentioned he has been on the SBA website, and it is much easier to understand. Mr. Hall asked Mr. Stephens to send the link to the committee.

### **Old Business:**

#### **Update on Electronic Funds Transfer (EFT) of set aside payments:**

Mr. Marcum provided an update on the EFT demo which staff participated in on Monday. He said KBE staff should

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have the demo version for testing access in about two weeks. He says the demo looks very functional but will not know for sure until the testing phase is complete. He hopes the program will be fully functional by October.

### **Update on arbitration filing concerning Bluegrass Army Depot:**

Mr. Marcum stated that individuals from the Depot have been in contact with KBE staff and are developing a new statement of work. He said that there is continued dialogue between staff and the Depot about developing opportunities there. Chair Hall provided a brief description of the Bluegrass Army Depot's facility. He stated Canteen currently has the food operations, vending and the golf course. He said the Depot insists on charging the vendor a commission which goes toward the running of the golf course. Mr. Marcum stated staff are continuing to move forward with the arbitration and would like to know how many employees go to work there every day. Mr. Stephens asked if Southern Foods would be able to do a third party with the vendor with Bluegrass Army Depot? Mr. Marcum said the current statement of work will be strictly for vending at this point.

### **Discussion on state prison commissaries RFP and prison vending:**

Mr. Marcum stated that when reviewing the Request for Proposal (RFP), there is not a 'whole lot of meat on the bone' there. He said he feels the current provider wants out because they are not making much money and are experiencing a staffing shortage. He continued to say that

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he does not think the labor market is sustainable. Some of the prison commissaries are in very rural areas of the state where staffing can be very challenging where there could be 60 to 80 staff. The scope of work looks unattainable, and he doesn't see anyone being successful under the terms of the current RFP. He said that he does not think it is a suitable opportunity the way the RFP currently reads. He said the with the number of products the RFP is requiring the bid winner to carry, and with the current challenges with the supply chain alone, makes the RFP incredibly scary. He explained vendors could be fined a minimum of \$1,000 a day for every infraction. Mr. Stephens said he agreed but stated the vendors are already providing to groups where the workforce is unstable and declining. Prison guard population is declining while the prison population is increasing. He said with the hybrid schedules it is uncertain and declining, especially in state and federal buildings. Discussion was held regarding staffing issues within the prisons. Mr. Marcum stated that he has reached out to prison commissaries. He said this is not a state procurement. It is under the Kentucky Centralized Inmate Commissary board, which is not a state entity. He does not know what rules they would follow. Chair Hall expressed concerned. Mr. Purvis asked what the vending numbers are currently for the prison vending. He stated the vending body should move on from this because it's a waste of time, money and talent. He said if the vendors are not going to get money from it, then we can find something elsewhere with micro markets. If the vending body is not going to move forward with it, then it is time to move on. No one can

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provide vending numbers. Mr. Marcum said prison, historical data has been very lucrative for vendor, Chris Miller. Mr. Marcum stated staff look at opportunities every day for the vendors. He said he did not want to discourage the vendors with the RFP. Chair Hall suggested if vendors have some of the vending, then they need to have all the vending.

Mr. Mayne asked about vendors obtaining the other rest areas run by third party. Mr. Marcum stated that would work if vendors wanted to omit all new equipment. Mr. Hall said the set-aside is supposed to cover new equipment. Mr. Marcum clarified that set-asides pay half and unassigned vending pays the rest.

### **Discussion on how we move forward with new opportunities:**

Discussion regarding vending at Fort Campbell and Fort Knox was discussed by staff and the committee. Mr. Marcum stated the army has not issued an RFP. As far as vending for Fort Campbell, he has been unable to get in touch with someone there. No good contact to be able to move forward, Mr. Marcum stated when it comes to the Randolph-Sheppard program, there is a formula for the army to determine if a particular building belongs with Randolph-Sheppard. He clarified that Fort Campbell is full of multiple, small buildings. He stated there needs to be a guide to what is there.

Mr. Miller asked what is going on with the Juvenile Justice Centers. Mr. Marcum said that they have been put on a

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back burner due to all the work that has been put into the commissaries.

### **New Business:**

Regarding the email that Mr. Marcum sent out earlier in the week asking vendors with rest areas, due to vandalism of machines, what their thoughts were on going cashless. Todd Freeman stated he spoke with other vendors this week that have rest areas and welcome centers. He stated that he is doing about \$225 cash per week and only about a \$30 to \$40 in Cantaloupe deposits. Mr. Freeman stated that if they are required to go to cashless machines at the rest areas it will take lots of time to wait for repairs on them with the sale of Cantaloupe. He was concerned that he would be out of business if this should occur. Mr. Marcum explained that the concept of going cashless was a conversation with the Transportation Cabinet and there was no decision one way or another yet. The subject was only brought up due to all the vandalism at the rest areas. He continued to say, unfortunately it has come at a time where Cantaloupe is going through struggles. He explained they are unrelated to each other but just happened to be two weeks apart. Mr. Hall suggested he would not support a cashless system and would fight against that. Mr. Marcum said the conversation came from Transportation and that it is an open conversation that will not be decided soon. Mr. Freeman expressed concern. Ronnie Wheatley commented that many people, especially the elderly, don't carry cards and don't trust cashless machines to be safe. He said that he has had very few problems with the cash machines but has with

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the credit card reader machines. He fears going to all cashless machines would severely hurt his business.

### **Unassigned Vending Discussion:**

Chair Hall began the discussion. He stated set-aside can be used for retirement, new equipment, repair, etc. He posed the question to the committee, is there a need to pull unassigned vending to assist with food service operations? Mr. Schneider asked if unassigned vending can be used for retirement. Mr. Marcum stated it can be used for retirement but currently is not used for that purpose. It was stated by Mr. Hall, that vendors determine how their set-aside is to be used and the committee voted as a group to use set-aside to buy the most up-to-date equipment. Mr. Marcum stated that retirement funds are not matchable with federal funds. Only equipment and management services can be matched at nearly \$4 for every dollar of state money. Mr. Purvis, asked about specifics on the term 'equipment' and if it is limited to vending only. Mr. Marcum said that it is equipment used for the business if it is reasonable such as grill tops, ovens, ice makers, etc.

### **Decide a date for a fourth quarterly meeting:**

Mr. Marcum stated there has already been five meetings, so there is no need for an additional meeting before the October meeting, which will be held on October 27<sup>th</sup>, 2022, at 4:00pm in Frankfort. It will be a hybrid meeting. Members may attend in person or via Zoom.

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### **Discuss procedures for the upcoming Blind vendor Committee election:**

Mr. Marcum led the discussion. He asked the committee if they would like to mirror what they approved previously such as submitting biographies and how they would like to proceed with that. He stated that the election process will be used via SurveyMonkey, and a link would be sent out by email to nominate members. He said this seems to be the best method as it is totally accessible. He said he would like to send out nominations in the coming two weeks. Mr. Stephens stated that the biographies are not optional as the committee voted to keep that in place. He clarified the only way this could be omitted is if the committee would vote against it. Chair Hall agreed and that it was a good to keep it in place to introduce candidates before the vendor body votes. Mr. Stephens stated he strongly recommended to keep this policy in place as it provides a level of professionalism. He said that he supports the idea of using Survey Monkey so each committee member can vote independently and anonymously.

Mr. Carnes, asked about the reasoning behind the schedule of the general assembly for this year. He asked if it was due to a mask mandate. Mr. Marcum stated that it takes a year to set up a multi-day meeting and the agency must go through a bid process where they will need to obtain three quotes from hotels and submit to the cabinet before they can even reserve anything. There has been a date agreed upon, but the commitment of resources is unknown in a Covid environment. The agency has

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decided to do a 'scaled back' version so no commitment of \$25,000 in advance would occur, as we had no idea what the Covid situation was going to be this time last year.

There was discussion about the National Federation of the Blind and their national convention. There was no Covid protocol set in place during that convention. Mr. Stephens stated it was smart and fair to schedule in advance. Mr. Marcum stated the agency is in the process of scheduling the 2023 general assembly and will hopefully be able to move forward.

### **Public Comments:**

Chair Hall asked if there were any guests who wanted to speak. There were no comments.

### **Adjournment:**

A motion to adjourn was made by Mr. Stephens. It was seconded by Mr. Grimes. The meeting adjourned at 5:45 pm ET.