

TENNESSEE BUSINESS ENTERPRISES
OPERATIONS MANUAL
TABLE OF CONTENTS

1.0 PURPOSE

1.1 Mission

1.2 Focus Statement

1.3 Objectives

2.0 LEGAL AUTHORITY

2.1 Designation as State Licensing Agency

2.2 Federal Law

2.3 State Law

2.4 Rules and Regulations

2.5 Operations Manual

3.0 POLICY OF NON-DISCRIMINATION

3.1 Administration of Tennessee Business Enterprises

3.2 Management of Vending Facilities

4.0 ADMINISTRATIVE ORGANIZATION

4.1 Structure

5.0 AGENCY PERSONNEL OBLIGATIONS AND RESPONSIBILITIES

5.1 TBE Management Staff

5.2 TBE Supervisor

5.3 TBE Consultant

5.4 TBE Specialist

6.0 TRAINING PROGRAM

6.1 Screening and Evaluation of Potential Managers

6.2 Entry Level Training

6.3 Certification Training

6.4 Upward Mobility

6.5 Retraining for Established Managers

6.6 Statewide Managers Meeting

6.7 TBE Manager Travel Reimbursement

7.0 LICENSING

7.1 Issuance

7.2 Displaying of License

7.3 Non-Transferability of License

7.4 Grounds for Termination

7.5 Voluntary Withdrawal from a Facility

7.6 Ready-for-Employment List

8.0 INSTRUMENT OF FACILITY SURVEY

8.1 Instrument of Facility Assignment

8.2 Instrument of Facility Assignment -
Temporary Managers

9.0 DISCIPLINARY ACTION

9.1 Grounds for Action

9.2 Probation

9.3 Falsification of Records

10.0 SET-ASIDE FUNDS

10.1 General

10.2 Purpose of Set-Aside Fees

10.3 Method of Computing Net Proceeds

10.4 Set-Aside Schedule

10.5 Set-Aside Rebate

10.6 Method of Payment

10.7 Delinquencies

10.8 Set-Aside Credit

11.0 EQUIPMENT AND FIXTURES

11.1 General

11.2 Equipment Maintenance

11.3 Maintenance and Repair Procedures

11.4 Payment for Repair and Maintenance Services

11.5 Emergency Repairs

12.0 CLASSIFICATION OF FACILITIES

12.1 Categories of Facilities

12.2 Definitions

13.0 TBE MANAGER CERTIFICATION

13.1 General

13.2 Obtaining Certification

13.3 Maintaining Certification

13.4 Policy Exceptions

13.5 Reclassification of Facilities

14.0 BID PROCEDURES

14.1 Bid Announcements

14.2 Bid Process

14.3 Eligibility To Have Bid Considered

15.0 ASSIGNMENT OF MANAGERS

15.1 Promotions

15.2 Transfers

15.3 Demotions

15.4 Facility Relocation

15.5 Priority for Assignments

15.6 Emergency Assignments

15.7 Temporary Managers

15.8 Installation of a TBE Manager

16.0 MANAGER'S OBLIGATIONS AND RESPONSIBILITIES

16.1 Manager's Duties

16.2 Recordkeeping and Financial Reporting

16.3 Standards of Performance

16.4 Standards of Appearance

16.5 Drug Free Environment

16.6 Professional Development

17.0 MANAGEMENT SERVICES

17.1 Supervisory Services

17.2 Supervisory Visits

17.3 Scope of Supervisory Visits

17.4 Disposition of Complaints

17.5 Facility Inspections

17.6 Annual Facility Plan

18.0 FACILITY AUDITS

18.1 General

18.2 Consultant Reviews

18.3 Fiscal Service Reviews

18.4 Internal Audit

18.5 Other Government Agencies

19.0 LINES OF COMMUNICATION

19.1 General

20.0 ESTABLISHING NEW FACILITIES

20.1 Criteria to Establish New Facilities

20.2 Additions To Existing Facilities

20.3 Multiple Facilities

20.4 Projecting Facility Sales

20.5 Establishing Initial Inventory Levels

21.0 CRITERIA FOR CLOSING FACILITIES

21.1 General

21.2 Distribution of Closed Facilities

22.0 COLLECTION AND DISTRIBUTION OF INCOME

22.1 General

23.0 MANAGERS' FRINGE BENEFITS

23.1 Funding Source

23.2 Eligibility

23.3 Health Insurance

23.4 Retirement Plan

24.0 GRIEVANCE PROCEDURES

24.1 General

24.2 Administrative Review

24.3 Evidentiary Fair Hearing

24.4 Arbitration

25.0 COMMITTEE OF BLIND VENDORS

25.1 Purpose

25.2 Composition

25.3 Function

25.4 Final Authority

25.5 Meetings

25.6 Other Committee Expenses

Appendix A - Manager's Monthly Financial Report

Appendix B - Inventory Control Procedures

Appendix C – Instrument of Facility Assignment

Appendix D – TBE Forms

1.0 PURPOSE

1.1 Mission

To provide high quality products and customer service while maximizing employment and economic opportunities for legally blind individuals in vending/food service operations.

1.2 Focus Statement

The PRIMARY FOCUS of Tennessee Business Enterprises is to assure high quality products and excellent service to our customers.

1.3 Objectives

- A. Provide entrepreneurial opportunities for qualified legally blind individuals;
- B. Provide high quality food products and customer service to all patrons of Tennessee Business Enterprises facilities;
- C. Provide ongoing training and other resources necessary to ensure an opportunity for advancement for legally blind Managers;
- D. Develop and implement strategic planning efforts;
- E. Develop and implement rules, regulations, policies and procedures to ensure that Tennessee Business Enterprises is administered fairly and equitably;

2.0 LEGAL AUTHORITY

2.1 Designation as State Licensing Agency

The Tennessee Department of Human Services has been designated by the Secretary of the United States Department of Education as the State Licensing Agency under the Randolph-Sheppard Act (20 U.S.C. 107 et. seq.)

2.2 Federal Law

The Department of Human Services derives its authority to operate the Tennessee Business Enterprises from 20 U.S.C. 107 et. seq. commonly referred to as the Randolph-Sheppard Act. This legislation gives to this Agency priority for the establishment of vending facilities on federal property.

2.3 State Law

T.C.A. 71-4-501-509 creates the Tennessee Business Enterprises for the State of Tennessee and gives this Agency priority for the establishment of vending facilities on properties owned or leased by the State or local government entities.

2.4 Rules and Regulations

Tennessee Business Enterprises operates in accordance with Chapter 1240-6 of the rules and regulations of the Department of Human Services. These rules have been duly promulgated in accordance with the Uniform Administrative Procedures Act. Such rules are issued in compliance with Public Law 83-565 and the Randolph-Sheppard Act as amended.

Each licensed TBE Manager and Business Enterprises staff person will be furnished a copy of the rules. The TBE Consultant will obtain a signed receipt for the rules from each TBE Manager. The rules are available in Braille, large print, cassette, or computer diskette. TBE Managers are to be provided the rules in the medium they prefer.

2.5 Operations Manual

This Operations Manual is mandated by Chapter 1240-6-15-.01(1) of the rules and regulations governing Tennessee Business Enterprises. Each licensed TBE Manager and Business Enterprises staff person will be furnished a copy of the Operations Manual in accordance

with the same procedures as outlined in Section 2.4 above.

It is understood that this Operations Manual does not replace the rules and regulations but rather supplements the rules to better enable the TBE Managers to comply with requirements. From time to time, revisions to the manual, with effective dates, will be distributed to each TBE Manager and Business Enterprises Consultant.

3.0 POLICY OF NON-DISCRIMINATION

The Department of Human Services adheres to a policy of non-discrimination in every facet of its function and activity. This policy has applied and will continue to apply to Tennessee Business Enterprises.

3.1 Administration of Tennessee Business Enterprises

Every aspect of the Agency's administration of TBE shall continue to be without reference to the sex, age, religion, color, creed, national origin, political affiliation or physical or mental impairment of any individual who is participating or who may wish to participate in the program, insofar that such impairment does not preclude acceptable performance.

3.2 Management of Vending Facilities

Every licensed TBE Manager shall operate his/her TBE facility without discriminating on the basis of sex, age,

physical or mental impairment, religion, color, creed, national origin, or political affiliation, against any present or prospective supplier, customer, employee, or other individual who might come into contact with the facility.

4.0 ADMINISTRATIVE ORGANIZATION

4.1 Structure

Tennessee Business Enterprises (hereinafter referred to as TBE) is administered by the Tennessee Department of Human Services. TBE is an identifiable section within the Services for the Blind and Visually Impaired unit of the Division of Rehabilitation Services. The Director of Services for the Blind and Visually Impaired is responsible to the Assistant Commissioner for Rehabilitation Services. TBE management staff report to the Director of Services for the Blind and Visually Impaired. With the active participation of the Committee of Blind Vendors, the Director has great latitude with respect to utilization of management staff. This may include utilizing a TBE Director or allowing TBE Supervisors to carry out all management responsibilities. Flexibility allows the Director to better utilize the skills and abilities of management staff.

Supervision of the vending facilities is provided by TBE Consultants or Specialists. Each Consultant is responsible for approximately fifteen (15) vending facilities. Consultants are located in the Division of Rehabilitation Services' regional offices in:

Johnson City, Knoxville, Chattanooga, Nashville, Jackson, and Memphis.

These Consultants and Specialists report directly to one of the TBE Supervisors.

5.0 AGENCY PERSONNEL OBLIGATIONS AND RESPONSIBILITIES

5.1 TBE Management Staff

The TBE management staff is responsible for planning, directing, and supervising all phases of TBE;

A. Assists in developing, implementing, and enforcing rules and regulations and policies and procedures;

B. Interprets state and federal laws and regulations and assures compliance.

C. Works with the Committee of Blind Vendors and TBE staff in strategic planning efforts.

D. Participates in the development of annual budget and reviews available reports to ensure that expenditures are within reasonable limits;

E. Coordinates and directs the training program for the TBE Managers including entry level, upward mobility, and certification training;

F. Performs public relations activities;

G. Acts as liaison with the Committee of Blind Vendors and assures active participation in major decisions;

H. Works with the Committee of Blind Vendors in planning an Annual Statewide Managers' Meeting;

I. Provides supervision to the TBE Consultants and Specialists in the field;

J. Assures that TBE is administered by staff in accordance with all policies described in the rules and regulations and operations manual;

K. Negotiates agreements with service repair companies to provide maintenance and repair services and monitors expenditures to ensure that savings are generated when possible.

L. Trains TBE Consultants;

M. Assists the regional staff in obtaining new locations;

N. Negotiates with prospective property

management officials when necessary;

O. Sees that new installations are appropriately planned;

P. Reviews all Plans of Service and approves expenditures as appropriate;

Q. Assures that equipment inventory control is established and maintained;

R. Periodically reviews files maintained in the Regional Office to assure that these contain all necessary documents;

S. Reviews all documents that are required for installing Managers in a facility, such as licensing agreements, inventory of stock and equipment;

T. Prepares all bid announcements for vacant facilities before they are submitted to the State Office;

U. Assists in the selection of the Managers in the promotion process, assuring Compliance with established guidelines.

Schedule quarterly meetings with Committee Representatives and Regional Staff.

5.2 TBE Consultant

Under the direction of the TBE Supervisor, the TBE Consultant is responsible for the supervision of the TBE facility Managers;

A. Ensures that all facilities in area of responsibility are operated in accordance with TBE rules;

B. Reviews operation of the facility

through monthly on-site visits and documents these in the case record;

C. Advises TBE Managers in deficient areas and assists the Manager on making the needed improvements;

D. Provides to each TBE Manager management services as described in Section 17 of this manual;

E. Arranges for all maintenance and repair

of equipment following receipt of a repair call from a manager; replaces worn-out equipment as appropriate; and conducts periodic inventory of the equipment;

F. Works with the TBE Supervisor and confers with local representatives of the Committee of Blind Vendors concerning conditions of permits when negotiating terms with property management officials;

G. Assists Managers as needed in merchandising, inventory control, reporting, and all related business functions especially during the initial six month probationary period;

H. Works cooperatively with and keeps the local representatives of the Committee of Blind Vendors informed on activities in the region and seeks the Committee representative's active participation as required by the rules and the operations manual;

I. Assures that leads on new locations are sought out on a regular basis; prepares a Plan of Service for consideration and approval by the TBE Supervisor;

J. Oversees contractors' work to insure proper installation of facilities;

K. Assures that the facility is installed according to drawing, specifications, etc;

- L. Purchases initial stock of inventory;
- M. Will assist in performing inventory when requested by a Manager;
- N. Assists new Managers in obtaining sales tax certificates and explaining tax requirements;
- O. Advises the Manager on procedures for grievances and fair hearings;
- P. Maintains positive relationships with property management officials;
- Q. Maintains liaison with rehabilitation staff and other referral agencies;
- R. At all times promotes a positive image of TBE;
- S. Assists the TBE Management staff in the placement and on-the-job training of prospective new Managers;
- T. Keeps posted on current trends and methods of food service business practices; and,
- U. Keeps records and makes reports as required and requested.

5.3 TBE Specialist

The TBE Specialist serves as a "senior consultant". The Specialist performs all of the same responsibilities as the TBE Consultant but also has additional responsibilities including:

- A. Marketing TBE and conducting a potential site surveys;
- B. Develops and coordinates upward mobility training sessions;
- C. Participates in certification training and entry level training as requested by the TBE Management staff;
- D. Trains new TBE Consultants as requested by the TBE Supervisor; and,
- E. Performs other duties as assigned by State Office or the Business Enterprises Supervisor.

6.0 TRAINING PROGRAM

6.1 Screening and Evaluation of Potential Managers

In order to ensure the success of candidates in Entry Level Training, all potential Managers must undergo a thorough evaluation process to determine potential to succeed in the intense training program. This evaluation is a team effort and must include both Vocational Rehabilitation and TBE staff.

A. Rehabilitation Counselor Evaluation

The Agency's Vocational Rehabilitation Counseling staff is the sole source of referrals for potential TBE Managers.

The VR Counselor is in the best position to provide data about the candidate's personality, motivation, etc.

When evaluating whether or not a client is a good candidate for TBE, the VR Counselor should ask:

Does the person have a positive "Can Do" attitude?

Does the client seem to have a willingness to learn?

Can this person work effectively with the public?

Is the person well groomed and does (s)he maintain a professional appearance?

Can I envision this person working in a professional management position?

The answer to each question should be yes if the individual expects to succeed in TBE.

Prior to making a referral to TBE, the VR Counselor must arrange for a drug screening of the potential candidate. If the screening reveals the use of any illegal drugs, the candidate will not be allowed into the training program. If the candidate has a history of alcohol or drug abuse in the last twelve (12) months, (s)he should not be referred to the training program.

Once a VR Counselor determines that a candidate may be appropriate for a career with TBE, a referral will be made for a formal evaluation.

B. Formal Rehabilitation Assessment

All referrals to TBE will be evaluated in both their adaptive living skills and vocational potential. Each candidate will be assessed in the following areas:

Physical dexterity and stamina to perform the essential functions of the job;

Communication skills including verbal, written, Braille, tape, etc.;

Ability to take lecture notes;

Activities of daily living;

Mobility skills;

Basic math potential (percentages, fractions, decimals, etc.);

Ability to use a calculator and 4-track tape recorder;

Computer skills including adaptive software;

Social skills;

Ability to manage money;

Ability to identify currency;

Management potential;

Professional appearance;

Positive personality – "Can Do" attitude;

Ability to work effectively with people; and,
Ability to handle stress appropriately.

A full psychological evaluation is not required but is encouraged if there is any indication that the individual's behavior may be a detriment to his/her success with TBE.

A standard low vision evaluation is required of all partially sighted persons being referred for training. The purpose of this evaluation is to ensure that the student has the tools necessary to be successful.

An Assistive Technology Assessment must be included as part of the formal evaluation since a student must be able to use a computer during training. This would include basic keyboarding skills and the ability to use word processing software, e-mail, and the internet.

If the evaluation process identifies deficiencies in any of the above areas, the candidate may be referred by the VR Counselor for remedial training. For example, if the individual does not possess the basic math skills, the Counselor may make arrangements for the client to receive remedial training to bring his/her skills up to an acceptable level. A short follow-up evaluation will be required after the remedial training to ensure that the candidate has mastered the skill area.

Generally, formal evaluations of a candidate's VR potential will be done at the Tennessee Rehabilitation Center in Smyrna or at one of the private rehabilitation facilities across the state. The decision as to which facility will do

the evaluation will be based upon client choice as required by the Rehabilitation Act as amended.

Criminal Background Checks

Prior to being accepted into the training program, TBE will conduct a criminal background check on each candidate. If that background check discloses a felony conviction, the individual will not be eligible for entry into the training program.

D. TBE Management Staff Evaluation

Once the rehabilitation facility staff and VR Counselor agree that a candidate is appropriate for consideration by TBE, a referral will be made to the regional TBE Supervisor. The referral shall include an essay by the candidate (in his/her preferred medium) explaining why (s)he wants to enter TBE, what makes them a good candidate, and what their expectations are of TBE. The TBE Supervisor will review and then arrange an interview with the candidate. The TBE Supervisor will then make a decision as to whether or not to accept the candidate into training.

6.2 Entry Level Training

Once the TBE Supervisor has accepted a candidate, (s)he must complete a standardized Entry Level Training Program. At least one class will be held each year with a maximum of six (6) students admitted to each class. Training will be divided into two sections – formal classroom instruction and on-the-job training. The

classroom training will include at least ten (10) weeks of standardized classroom instruction.

A. Classroom Training

(1) The curriculum for this portion of the training is continually evolving to meet the needs of the students. On an annual basis, the Agency will solicit feedback from the Committee of Blind Vendors' Training Subcommittee on the curriculum to ensure that it accurately reflects the subject matter that will best ensure success by the trainees. Generally, the training will include modules in the following areas:

Administration (Includes statutory
and regulatory authority)

Business Management

Financial Analysis and Resource Control

Vending Machine Operations

Inventory Control

Health and Sanitation

Food Service Management

(2) To pass the formal training, a candidate must average a score of 75 on tests for each module. A candidate who fails to meet this minimum score may be allowed to take one re-test at the discretion of the instructor.

(3) Candidates who successfully complete this portion of the training will be allowed to take an additional two weeks of classroom

training to obtain their on-site food prep certification. The decision as to whether or not to attend the additional training is left totally to the discretion of the individual.

B. On-the-Job Training

Each candidate who successfully completes the formal classroom training will be required to complete a minimum of eight weeks of on-the-job training in a current TBE facility under the supervision of a licensed Manager. A minimum of four weeks (20 days) of the training will be in a counter or food prep facility and four weeks (20 days) in an all-vending location. In some instances additional OJT time may be required. If the supervising OJT manager recommends additional training and the TBE Supervisor believes that additional time will enable the candidate to successfully complete the training requirements, such arrangements will be made. The TBE Supervisor will make OJT assignments.

Experienced licensed Managers will be selected to provide the OJT. They will be instructed on the activities to be performed by the trainee. The Manager shall complete and submit to the TBE Supervisor a written report on the prospective new Manager. The trainee will be evaluated in the areas jointly identified by the Agency and Committee of Blind Vendors Training Subcommittee.

(3) A trainee will only be licensed if so recommended by the OJT Supervising Manager. If a candidate is not recommended for licensing, (s)he may be permitted to do another OJT assignment after receiving remedial training in the areas that were identified as deficiencies. Likewise, if there were extenuating circumstances and the Agency feels that the trainee could be successful if afforded another opportunity, the trainee may be afforded the opportunity to complete another OJT assignment with another Manager.

C. Dress Code

Trainees are expected to maintain the same dress code as outlined in Section 16.4 of this Operations Manual. This will apply while in the formal classroom training as well as the OJT.

6.3 Certification Training

Certification training is offered in on-site food preparation, cafeteria management, and inmate commissary management. On-site food preparation may be taken as scheduled after the Manager has completed Entry Level Training. On-site food preparation certification is a prerequisite to Cafeteria Management Training. Cafeteria Management Training may be taken after a Manager has acquired one year of

seniority. As part of the Food Prep and Cafeteria certification training, Managers will have to successfully complete the National Restaurant Association's ServSafe

course and will be expected to keep the ServSafe certification current. Cafeteria certification training is only offered upon request by a Manager. Commissary certification will be scheduled once each year. In order to obtain certification in any of these areas, the Manager must pass all tests (score of 75 or better) associated with the training.

6.4 Upward Mobility

It shall be the responsibility of the Agency to assure that an on-going Upward Mobility Training program is maintained. This training program is necessary to encourage greater business competence and to provide the upward mobility of Managers. Training shall be conducted through such means as workshops and seminars. Managers are required to attend one upward mobility training session every year to maintain their certification(s) and eligibility to bid. By rule, the Agency is required to offer one, two-day upward mobility sessions annually in Knoxville, Chattanooga, Nashville, Memphis, Jackson, and Johnson City. However, subject to an agreement with the Committee of Blind Vendors and the availability of funds, the Agency may offer a second Upward Mobility Training session in any of the four major cities. To minimize travel costs, the TBE Manager will be expected to attend the upward mobility training session nearest to his/her home. If a Manager chooses to attend an Upward Mobility training session outside of his/her immediate area, the Manager may do so but will not be reimbursed for any travel expenses.

6.5 Retraining for Established Managers

The Agency shall provide specially designed retraining courses for Managers who request retraining or the TBE Consultant may request that a Manager, under his/her supervision, receive retraining, to correct specific deficiencies. Managers who refuse such training may be subject to probation and subsequent termination of license.

6.6 Statewide Managers Meeting

The Agency and the Committee of Blind Vendors shall jointly sponsor and develop a statewide meeting for all licensed Managers which will be held annually provided funds are available.

6.7 TBE Manager Travel Reimbursements

The Agency will provide travel reimbursement to most TBE Managers who attend upward mobility training, certification training, retraining, or the annual Statewide Managers' meeting.

Reimbursements to TBE Managers will be made in accordance with State Comprehensive Travel Regulations. Reimbursement will not be allowed if the training or meeting is being held in the same county in which the Manager resides or manages a vending facility. In general, travel will be by private car or commercial bus. When traveling by car, a TBE Manager will be reimbursed for point to point mileage. TBE Managers traveling by bus will be reimbursed for the actual cost of the bus ticket. A

TBE Manager who wants to fly, may do so but will only be reimbursed for the amount that would have been paid had travel been by private car.

Requests for travel reimbursement must be submitted on standard travel reimbursement forms which can be obtained from the regional office. Claims must be filed within thirty (30) days of the date of the travel. Claims which are not filed timely will not be approved or processed for payment.

7.0 LICENSING

7.1 Issuance

The Department of Human Services shall license qualified blind persons who have completed all training requirements to manage TBE vending facilities. Licenses shall be issued only to persons who are determined by the Agency to be:

- A. legally blind as defined by 1240-6-1.02(4);
- B. citizen of the United States;
- C. at least eighteen (18) years of age; and
- D. certified as qualified to manage a facility after successful completion of entry level training.

The license shall be issued for an indefinite period of time by the Commissioner of the Department of Human Services and Director of Services for the Blind and Visually Impaired on behalf of the State of Tennessee.

7.2 Displaying of License

The TBE Manager shall prominently display the license in the facility to which the TBE Manager is assigned to operate and will be responsible for moving the license when transferring to another facility.

7.3 Non-Transferability of License

A license shall be issued in the name of the TBE Manager and shall not be transferable.

7.4 Grounds for Termination

A. A license to operate a TBE facility may be terminated if:

1. The Manager violates the rules and regulations governing TBE;
2. The facility is not being operated in accordance with the terms and conditions of the permit;
3. The facility is not being operated in accordance with the terms and conditions of the instrument of facility assignment;
4. The facility is not being operated in accordance with the policies and procedures as outlined in this Operations Manual;
5. There is a violation of state law, the violation of which is, or reasonably may, result in financial or physical harm to

the Manager, customers of the facility or other persons, or the Department of Human Services;

6. The Manager fails to comply with regulations of other agencies of the State of Tennessee which have regulatory authority directly related to the operation of a TBE facility;

7. The Manager loses his/her certification(s) and fails to meet the requirements of re-certification; and/or,

8. The Manager is placed on probation three times in any twelve (12) month period for the same rule violation except that violations of 1240-6-9.03(1) for late payment of fees or filing of reports will not be applicable.

B. The Agency may terminate a license for any of the reasons cited above only after the Manager has been placed on probation for a period of thirty (30) days except in the case of falsification of records which only requires a thirty (30) day written notice of termination. In addition, the Agency may terminate a TBE Manager's license if:

1. There is improvement of vision so that the Manager no longer meets the definition of blindness;

2. The Manager has an extended illness with medically documented diagnoses of prolonged incapacity of the Manager to operate the facility in a satisfactory manner; and/or

3. The Manager withdraws from TBE after giving his/her written notification.

C. To insure compliance with subsection B(1) above, the Agency may require a licensed TBE Manager to be re-examined by an ophthalmologist if there is reason to believe that the Manager no longer meets the definition of blindness. The physician will be selected and the examination paid for by the Agency.

D. A Manager's license to operate a TBE facility automatically expires when the Manager's association with TBE is ended whether it be due to voluntary withdrawal, retirement, death, or other valid reasons.

E. Once the Agency has terminated a license to operate a TBE facility, the license may not be reactivated unless the individual completes all requirements of entry level training. A Manager will not be readmitted to the training program if the conditions which resulted in the termination of license have not been corrected.

7.5 VOLUNTARY WITHDRAWAL FROM A FACILITY

If a Manager so chooses, (s)he may resign as the permanent Manager of a TBE facility without jeopardizing his/her license provided that a 30 day notice is given. In this event, the Manager's name will be placed on the Ready for Employment List and (s)he shall not accrue additional seniority. A Manager who fails to provide adequate notice will be considered to have resigned from TBE and will relinquish his/her license. It is understood that a Manager will not be allowed to resign if disciplinary action is pending or has been initiated.

7.6 READY-FOR-EMPLOYMENT LIST

The Agency shall maintain and provide to the Committee of Blind Vendors the Ready-for-Employment List which shall include the names of all licensed Managers who are certified and who are not permanently assigned to a TBE facility. Managers will be ranked on this list by seniority. Managers who have no seniority will follow on the list according to the date the Manager was issued a license. A Manager's name will be removed from this list in the event (s)he loses his/her certification(s). Managers who have their name removed from the list are not eligible to be considered for permanent assignments to vacant vending facilities.

8.0 INSTRUMENT OF FACILITY

ASSIGNMENT

8.1 Instrument of Facility Assignment

On the first day of business, an Instrument of Facility Assignment (IOFA) will be signed by the Agency and the Manager of the facility. Procedures to be followed in executing the Instrument are:

A. The IOFA must be read, or offer to be read, by the Consultant to the Manager;

B. One written copy shall be given to the

Manager and one copy retained in the local office files by facility; and,

C. A new IOFA must be issued each time a Manager is assigned a new facility.

Signing the IOFA shall be a condition for assignment to a TBE facility. This Instrument outlines the basic terms and conditions between the Agency and the Manager. The IOFA shall grant to the TBE Manager the authority to operate a specified facility for an indefinite period of time with the understanding that such privilege shall be personal to the TBE Manager and subject to terminate as provided by the rules and regulations governing TBE.

8.2 Instrument of Facility Assignment - Temporary Managers

If circumstances require that the Agency assign a Manager on a temporary basis to a TBE facility, the standard IOFA must be signed. If there are unusual circumstances, the Agency may choose to customize an IOFA for use with a temporary Manager. For non-licensed Managers, this may include, at the Agency's discretion, a provision that requires the temporary Manager to immediately begin repayment for any inventory assigned to him/her.

The IOFA can be found in Appendix C.

9.0 DISCIPLINARY ACTION

9.1 Grounds for Action

Disciplinary action is only appropriate if facts demonstrate that the Manager is in violation of one or more of the

promulgated rules governing TBE. In addition the Manager is subject to disciplinary action for violations of:

- A. the terms and conditions of the permit.
- B. the terms and conditions of the instrument of facility assignment.
- C. the violation of State law which may be expected to result in physical or financial harm to the Manager, customers, or others, including the Department of Human Services.
- D. the policies and procedures as outlined in this Operations Manual.
- E. regulations of other agencies of the State of Tennessee which have regulatory authority directly related to the operation of a TBE facility.

9.2 Probation

Except for the falsification of records by the Manager, disciplinary action against a Manager must be initiated by providing the Manager with notice of probation, which extends for a period of thirty (30) days from the date the Manager received the notice. Notice must be sent by Certified Mail or hand-delivered by the TBE Consultant. The notice may be delivered to a representative of the Manager provided a signed and dated copy of the notice and acknowledgment of receipt is mailed to the Manager within twenty-four (24) hours. The notice must specify the basis for probation and the steps to be taken, if any, to

avoid termination of license. The notice shall also advise the Manager of the right to file an appeal.

If the Manager fails, or refuses, to take corrective action within thirty (30) days from the date the notice of probation was received, the Agency shall then send a notice to the Manager advising the Manager that his/her license will naturally terminate thirty (30) days from the date notice was received. The termination notice must also be sent by Certified Mail or hand delivered by the TBE Consultant. The notice may be hand delivered to a representative of the Manager provided a signed and dated copy of the notice and acknowledgment of receipt is mailed to the Manager within twenty-four (24) hours. After the termination notice has been received by the Manager, it is then too late for the Manager to take corrective action to preserve the license; however, the Manager has the right to file an appeal regarding the termination of the license, provided that the appeal is received in the office of the Agency within thirty (30) days from the date the termination notice was received by the Manager.

If a Manager is placed on probation three times during any twelve (12) month period for the same violation, the Manager's license shall automatically be terminated. Three violations of 1240-6-9.03(1) which relate to the late filing of reports and payment of fees will not automatically result in license revocation since there is a separate penalty associated with such violations.

9.3 Falsification of Records

In the event that a Manager falsifies records of financial activity of a facility and the falsification has been verified by the Agency, the Manager may be terminated without first being placed on probation. The Agency shall send the termination notice to the Manager terminating the license thirty (30) days from the date the Manager receives the notice. This termination may be appealed, provided that the appeal is received in the office of the Agency within thirty (30) days from the date the notice was received by the Manager.

10.0 SET-ASIDE FUNDS

10.1 General

A fee shall be caused to be set-aside from the net proceeds of each facility as determined to be reasonable and approved by the Commissioner of the Rehabilitation Services Administration. The fee schedule of funds to be set-aside will be reviewed by the Agency and the Committee of Blind Vendors periodically and may be revised if deemed advisable and in the best interest of the program provided the fee does not exceed fifteen (15) percent of a Manager's net income.

10.2 Purpose of Set-Aside Fees

TBE will set-aside, or cause to be set-aside from the net proceeds of the operation of vending facilities, funds for the following purposes:

A. Maintenance and repair of equipment;

B. Purchase of replacement and/or new equipment; and

C. Management services;

The charge for each of the purposes cited will be determined on the basis of records of expenditures made for each of these purposes over a reasonable period of time, with allowances for improving services, fluctuations in costs, and program expansion. Adequate records will be maintained to support the reasonableness of the charges for each of the purposes cited.

10.3 Method of Computing Net Proceeds

34 CFR Part 395 subpart A Definitions (K)

defines "Net Proceeds" as the amount remaining from the sale of articles or services of vending facilities, and any vending machine or other income accruing to TBE Managers after deducting the cost of such sale and other expenses (excluding set-aside charges required to be paid by such TBE Managers). It should be noted

here that income from whatever source such as commissions, rebates, or bonuses, is considered to be income to the facility. In addition, if a Manager receives all or a portion of income derived from vending machines which are located on the same premises with the Manager and are in competition with the Manager, such income shall also be considered as income to the Manager.

In computing net proceeds, the following expenses are deducted from the gross sales figure:

A. Plastic and paper products: example - straws, napkins, cups, forks, and spoons.

B. Utilities: Electricity and water.

C. Telephone: Base rate for regular business line or cellular phone (both are permissible if the Manager's facility requires that the Manager be away from the main location for significant periods of time servicing vending machines); pagers; lines for fax machines (provided the fax machine is necessary in the business and is located on site at the facility).

D. Equipment: Cost of equipment which the Manager has purchased and placed in the TBE facility with prior approval by the TBE Consultant.

E. Janitorial Supplies: example - floor cleaners, soap, etc.

F. Rental Fee: example - lease expense for machines, if approved; payment for warehouse space, etc.

G. Contractual Services: example - bookkeeping, janitorial services, pest control, linen service, uniform service, etc. However, bookkeeping or other services that are of a personal nature such as completing federal income tax returns is not an allowable expense to the facility.

Additionally, Managers may not deduct and use "contract labor" if in fact the individual meets the definition of an "employee". An employer – employee relationship exists if the Manager:

Controls the individual's hours of work;

Provides training on how to perform tasks;

Provides equipment with which to perform tasks;

Provides benefits such as vacations or sick pay;

Considers the relationship to be permanent rather than time limited.

Additionally, the worker will likely be considered an employee if (s)he performs key aspects of the business such as cooking, serving customers, running a cash register, etc. Generally, an independent contractor:

Makes services available to the general market (not just one Manager);

Gets paid by the job and not by the hour, week, or month;

Has a financial investment in his/her business.

H. Mileage: Managers operating vending routes may deduct actual miles (which must be supported by a mileage log) at the rates specified in the Tennessee Comprehensive Travel Regulations for travel associated with the operation of that facility. The Manager must secure written approval from the Agency in order to claim mileage as an allowable expense. Other related travel costs such as van payments or vehicle maintenance may not be deducted separately since the per diem rates are expected to cover these expenses. Mileage to and from the manager's home is not allowable as a facility expense.

For purposes of this section, a "route" is defined as a facility with vending machines located on a minimum of 6 separate properties and which require a vehicle to deliver products OR travel between locations exceeds 20 miles per day. Facilities with multiple locations on a single property are specifically excluded from this definition.

I. Taxes, Licenses, and Insurance: example – business license if paid, insurance premiums for personal and product liability; worker's compensation coverage, if paid; Commercial vehicle insurance (for routes, commissaries, or as required by the permit).

J. Employment Benefits: example -

Employer portion of Social Security and any health insurance provided.

K. Salaries: If it is determined that employees are required in the day-to-day operation of the facility, salaries to these employees are allowable expenses, provided that the Managers have records substantiating the payment of F.I.C.A., State and Federal Employment Taxes, and the withholding of income taxes as appropriate.

Repair and maintenance deductibles, if in effect.

M. Professional Development – Once every six months, the Manager may deduct the registration fee for attending a professional development program sponsored by the National Automatic Merchandising Association (NAMA), the Tennessee Automatic Merchandising Association (TAMA), the National Restaurant Association (NRA), the National Association of Blind Merchants (NABM), or Randolph Sheppard Vendors of America (RSVA). Additionally, the Manager may deduct the cost of sending employees to an approved food handlers course.

The Randolph Sheppard Act specifically prohibits set-aside assessments as being an allowable deduction.

10.4 Set-Aside Schedule

Funds will be set-aside in accordance with the following schedule:

Net Profit x .14 + \$10.00

10.5 Set-Aside Rebate

Managers who meet or exceed the performance standard for net profit percentages as defined in Section 16.3 of this Operations Manual for the calendar year may be eligible for a set aside rebate. Depending upon budgetary considerations, the Agency, with the active participation of the Committee of Blind Vendors, may elect to award such a rebate. The determination as to whether or not to offer a rebate as a performance incentive will be made in July when the budget is being considered and will apply to the next calendar year. For Managers who operate Category 1, 2, 3, 8, and 9, this rebate shall not exceed 5% of the total set-aside fee paid by the Manager during the calendar year. For Managers who operate Category 4, 5, 6, and 7 facilities, this rebate shall not exceed 10% of the total set-aside fee paid by the Manager during the calendar year except that Manager's who utilize a teaming partner to provide troop dining service will not be eligible for the rebate. Rebates received pursuant to this section shall not be considered as income to the facility.

10.6 Method of Payment

The set-aside fee payment is to be submitted to Fiscal Services and must be post marked no later than the 8th day of each month. If the 8th falls on a Saturday,

Sunday, or holiday, the payment must be postmarked no later than the next business day. Payment may be made by cashier's check, bank draft, money order, or personal check made payable to Tennessee Business Enterprises. (No second party checks.) Cash payments shall not be made unless personally delivered to Fiscal Services during the hours specified by Fiscal Services to accept such payments. If a TBE Manager's personal check is returned for insufficient funds, the Department of Treasury will submit it to the bank for processing a second time. If the check is returned again, it must be replaced within ten (10) days with a money order or other negotiable instrument. If a check is returned for insufficient funds, the Manager will be assessed \$25.00 fee for processing as well as a \$25.00 penalty for the late payment pursuant to Section 10.6 of this Operations Manual. In addition, the Department of the Treasury may assess additional penalties in accordance with that Department's policies and procedures. If a check is returned, the Manager will be considered delinquent and will be subject to being placed on probation. A third occurrence of receiving a bad check within a twelve (12) month period will result in written notification that the Agency will no longer accept the TBE Manager's personal checks, but instead will require all payments to be made by either money order or other negotiable instrument for a period of twelve (12) months.

Provided that resources are available, Managers will be allowed to file their monthly reports and pay their set aside assessments via electronic transfers or ACH using TBE's

website. Managers who take advantage of this option will receive a 5% discount on their set aside assessment. If a Manager's ACH is returned for insufficient funds, the Department of Treasury will process it for payment a second time. Managers will be assessed a \$25.00 returned check fee and will be considered delinquent which shall result in an additional \$25.00 penalty and the Manager will be subject to probation. If the ACH is returned for the second time, the Manager must submit a cashier's check or other negotiable instrument within ten (10) days. If a Manager has three ACH's returned in any given twelve (12) month period, (s)he will no longer be allowed to file on-line for a period of twelve (12) months and must pay all set aside fees with money order, cashier's check, or other negotiable instrument.

10.7 Delinquencies

If a Manager fails without the showing of good cause to submit set-aside payments on or before the 8th day of each month, the Manager shall be assessed a \$25.00 penalty and shall be placed on probation for a period of thirty (30) days. If extenuating circumstances prevent a Manager from filing reports and/or paying administrative fees, it will be the responsibility of the Manager to notify Central Office prior to the 8th day of the month. In those cases where the delay is justified, the Director of Services for the Blind and Visually Impaired may grant an extension and no penalties will be assessed provided the reports and/or fees are received by Fiscal Services prior to all

reports being run on or about the 25th day of the month. In such cases Fiscal Services shall be notified in writing.

10.8 Set-Aside Credit

A Manager may receive a set aside credit for hiring legally blind employees. The purpose of the credit is to provide an incentive for Managers to hire individuals who are blind. This credit shall equal 10% of the gross salary paid to each blind employee. For example, if a Manager paid a blind employee \$750, the amount of set aside would be reduced by \$75 ($\$750 \times .10$).

The credit can be claimed provided the following conditions are met:

- A. The employee is listed on the Manager's monthly financial report and is designated to be blind.
- B. The Manager has submitted written verification to the Agency that the employee is legally blind.
- C. It is determined that an assistant is required in the operation.
- D. The Manager has records substantiating the payment of F.I.C.A., state and federal employment taxes, and the withholding of income taxes as appropriate.
- E. The employee works a minimum of 120 hours during the month.

F. The employee is not a member of the Manager's immediate family.

G. The credit does not exceed \$100 per Month per blind employee.

11.0 EQUIPMENT AND FIXTURES

11.1 General

TBE will provide each TBE facility with fixtures and equipment in such quantity and quality so as to give reasonable assurance of successful operation by the TBE Manager. Decisions to add or replace equipment will take into consideration the return on TBE's investment.

Generally, equipment will not be purchased if it is not expected to generate set-aside fees over a five year period to pay for the equipment.

A. TBE shall retain the right, title, and interest to all equipment and fixtures. It shall have the authority to direct, control, transfer, and dispose of such equipment as it deems necessary.

B. The Manager will make no additions, deletions, or modifications to the facility and its operation in the form of equipment, fixtures, or facilities without obtaining prior approval from the Consultant.

Section B above applies to any machines placed on full service where a private company services the machines and pays a commission to the Manager. It will also apply to a Manager who wishes to subcontract any portion of

his/her operation such as the food prep operation. Before granting approval of such requests, the Consultant will conduct an analysis to ensure that the change will not result in less revenue in terms of set aside fees paid by the Manager. Likewise, a Consultant may work with a Manager to take machines off of full service or discontinue subcontracting if it is determined that doing so would be financially advantageous in terms of net profit to the Manager and increased set aside fees for TBE. If machines are on full service or a portion of the operation is subcontracted, the Manager remains fully accountable in terms of level and quality of service, appearance and cleanliness, and ensuring that the private company complies with the terms of the permit and all TBE rules and regulations.

Depending upon the availability of funds, the Agency, with the active participation of the Committee of Blind Vendors, may make the determination that it will not purchase drink vending machines unless there are serious extenuating circumstances. If such a determination is made, it will be the responsibility of the TBE Consultant and Manager to work with the drink companies to provide such equipment. For this reason, it is imperative that the Manager maintains a positive working relationship with the drink companies. In high volume locations, the Agency may consider purchasing specialty drink machines if it can be justified by the volume of sales and set aside fees generated.

11.2 Equipment Maintenance

All equipment and fixtures in a TBE facility shall be maintained in good repair and in an attractive condition, and worn-out or obsolete equipment shall be replaced by the Agency as required, subject to the availability of funds, to assure the continued successful operation of the facility.

The TBE Manager is responsible for maintaining equipment in a clean condition at all times. This will include equipment being removed from the facility by the Consultant. If the Consultant removes a piece of equipment that is dirty and it is necessary to pay to have it cleaned before it can be re-used, the Manager will be assessed the cost of this cleaning. Likewise, if a manager leaves a facility and the equipment or facility as a whole is dirty and requires cleaning, the Manager will be assessed the cost of this cleaning as well. Fiscal Services will issue an invoice for the cost of the cleaning and send it to the Manager who will be responsible for paying this amount by separate check within thirty (30) days. Failure to pay will be treated as any other delinquency.

11.3 Maintenance and Repair Procedures

The Agency is responsible for assuring that all state-owned equipment is functional and in a good state of repair.

A. Before a TBE Manager determines a piece of equipment is in need of repair by a service technician, (s)he should perform the following checks:

(1) Circuit breaker is not tripped;

- (2) Unit is plugged in properly;
- (3) Reset button is pushed in;
- (4) On/Off switch is in correct position.

B. When a piece of equipment malfunctions or is inoperable, the TBE Manager will contact the Regional Office. The Regional Office has the responsibility for selecting providers of repair service. The appropriate company will then be contacted and instructed to perform the repair. In all cases, where possible, a company will be selected that will perform the repairs within forty-eight (48) hours from the time the call is received in the Regional Office. The forty-eight (48) hour requirement is contingent upon the machine not being in warranty and parts being available. Such things as replacing light bulbs, pricing and selection labels are not considered to be repair and maintenance. These items are to be purchased by the Manager as a normal cost of doing business and are deductible as a miscellaneous expense on the monthly report.

C. In an effort to conserve set aside dollars and reduce repair costs, the above referenced forty-eight (48) hour requirement will not apply to minor repairs which do not have a significant impact on the Manager's income.

Examples of such minor repairs would include:

- (1) Pricing
- (2) Leveling and bolting together of vending machines

(3) Fewer than four (4) selections out of order on a single snack machine; fewer than two (2) on a canned drink

(4) Specialty selection on a coffee machine

(5) Fewer than four (4) selections on a glass front drink or frozen food

(6) Bill acceptors if facility has separate bill changer

(7) Bill changers if bill acceptors are available on the equipment

(8) Moving equipment within facility

The Agency will report these minor repairs to the company and request service when other more serious repairs are required.

11.4 Payment for Maintenance and Repair Services

The Agency will use set aside dollars and Federal Vocational Rehabilitation funds (if available) to pay for most repair expenses. However, the Manager may be charged a deductible each time a service company goes to his/her facility. If the Agency and Committee determine that a deductible is necessary at the time the annual budget is being prepared, the amount will be jointly determined based upon TBE's financial status at the time. The amount of the deductible will not exceed \$25 per call.

If a service company goes to a facility during the Manager's hours of operation as stated in the permit to repair a piece of equipment which has been reported by

the Manager to be malfunctioning and the Manager is not present which prevents the repair from being made, that Manager will be responsible for the total charge for that visit. The same will be true if a Manager fixes a machine and fails to report that it is no longer in need of repair. The billing procedure for this will be the same as outlined above. To minimize problems of this nature, Managers who have vending machines other than in a central location will be required to have cellular phones or pagers and the numbers for these shall be made available to the TBE Consultant and the service company.

If a service company is at the facility and the Manager discovers that another machine is malfunctioning, (s)he should immediately contact the Regional Office so that a repair order can be completed. The Regional Office will authorize the service company to perform the repair while on site if it is determined that it is more economical to repair the piece of equipment rather than replace it. If a Manager requests that a service company perform repair work that has not been authorized by the Regional Office, this expense will also be a responsibility of the Manager.

If a Manager has six (6) or more separate repair visits within a thirty (30) day period, the Manager may be required to undergo retraining pursuant to Section 6.5 of this Operations Manual unless there are extenuating circumstances. The training will be arranged by the Agency in the Manager's local area and the Agency will bear the cost of such training.

11.5 Emergency Repairs

Under certain conditions, it may be necessary for the Manager to arrange for repair service in an emergency situation. An emergency will be defined as a situation where:

A. a condition has developed on a holiday, weekend or after-hours when TBE staff, who generally process maintenance and repair requests, would not be available and where;

B. the condition is such that the TBE Manager cannot wait until operating hours to have the maintenance and repair reported through normal channels and where;

C. as a result of the above, (s)he would suffer damage in the loss of perishable items and/or damage to the equipment or facility as a result of equipment malfunction.

When such a condition has developed and such emergency repair service has been performed by a company called out by the TBE Manager to render the repair, it will be incumbent upon the TBE Manager to follow the normal channels of communication to the Regional Office on the first working day following the performance of such maintenance and repair service. The Regional Office will then complete a work order so that the invoice can be matched and paid at a later date. Any maintenance and repair service which is authorized by the TBE Manager of a facility and which does not constitute an emergency situation will not be paid.

12.0 CLASSIFICATION OF FACILITIES

12.1 Categories of Facilities

Vending facilities within TBE are categorized as follows:

Category 1 - Counter;

Category 2 - All Vending;

Category 3 - Combination Counter/Vending;

Category 4 - On-Site Food Preparation;

Category 5 – On-Site Food Prep and Vending;

Category 6 – Cafeteria;

Category 7 – Cafeteria and Vending;

Category 8 – Inmate Commissary;

Category 9 – Inmate Commissary and Vending.

12.2 Definitions

For the purposes here, the following definitions are used to classify facilities:

A. CATEGORY 1 COUNTER - Sale of prepackaged merchandise and/or food products which may or may not be prepared on-site. Classification of counter service is predicated upon the sales of manually dispensed merchandise. Such facilities may have vending machines provided they are on full service. Food prepared on-site in this classification is intended to be limited in

nature and shall not include the cooking methods as specified for Category 4 facilities.

B. CATEGORY 2 ALL VENDING - Sales of merchandise through the use of vending machines and which are not on full-service.

C. CATEGORY 3 COMBINATION COUNTER/VENDING - Sale of prepackaged merchandise and/or food products which may or may not be prepared on-site which are dispensed manually and through the use of coin operated income producing vending machines that are not on full-service.

D. CATEGORY 4 ON-SITE FOOD PREPARATION - Processing of meat and/or vegetables on-site through one or more of the following methods: frying, broiling, roasting, baking, grilling, microwaving, steaming or otherwise using heat for the cooking process except that crock pots, toasters, sandwich steamers, hot dog rotisseries, nacho machines, and coffee makers shall not be considered sufficient for this classification.

CATEGORY 5 FOOD PREP AND VENDING - This is a combination of Categories 2 and 4. It is a Food Prep location that is supplemented by coin operated, income producing vending machines that are serviced by the Manager and are not on full-service.

F. CATEGORY 6 CAFETERIA - The serving of hot food prepared on-site generally in mass quantities through one

or more of the methods as outlined above, provided the following Requirements are met:

There must be a minimum of 1500 potential customers daily and serving a minimum of 2 entrees and 6 vegetables daily.

G. CATEGORY 7 CAFETERIA AND VENDING - This is a combination of Categories 2 and 6. It is a Cafeteria location that is supplemented by coin operated, income producing vending machines that are serviced by the Manager and are not on full-service.

H. CATEGORY 8 INMATE COMMISSARY – The selling of prepackaged products to inmates in a correctional facility. These are generally offsite packaging operations where orders are delivered to inmates. Products sold through a vending machine to inmates would not constitute a commissary operation.

CATEGORY 9 INMATE COMMISSARY AND VENDING – This is a combination of Categories 2 and 8. Generally, it might include a commissary for the inmates and vending for the staff or perhaps satellite vending at another location. Facilities that have a small commissary (i.e. youth development centers) attached to it as part of a vending route shall not be considered an inmate commissary for the purposes of this classification.

13.0 TBE MANAGER CERTIFICATION

13.1 General

Managers participating in TBE are certified to operate certain categories of facilities in accordance with the proceeding section.

13.2 Obtaining Certification

To obtain certification in any of the categories, a TBE Manager must successfully complete certification training for a given category.

13.3 Maintaining Certification

In order to maintain this certification and remain eligible to compete for promotions, a

TBE Manager must attend one upward mobility training session each year or successfully complete an additional certification training course. For purposes of fulfilling this requirement, a Manager must attend the entire two-day upward mobility training session which will consist of a minimum of twelve (12) hours. Failure to meet this requirement may result in the Manager losing his/her license to operate a TBE facility. After losing his/her certification, the Manager has thirty (30) days to apply for admission into the next entry level training class. The Manager shall be admitted to the training provided (s)he is current with respect to all financial obligations to the State and is not currently being subjected to any disciplinary action. If the Manager fails to make such application or does not successfully complete the training, the Manager's license will be terminated and (s)he will be removed as the Manager of the TBE facility.

The Agency, with the active participation of the Committee, may designate outside training opportunities as Upward Mobility Training Sessions. Such opportunities would include national training conferences sponsored by the National Association of Blind Merchants (NABM) or Randolph Sheppard Vendors of America (RSVA) or the annual meeting of the National Automatic Merchandising Association (NAMA). The Agency has no obligation to pay a Manager's expenses to attend these outside training opportunities even though they have been designated as Upward Mobility Training Sessions.

Additionally, in lieu of the above requirement, Managers may elect to take at their expense a course in food service at an approved college or university. If the Manager elects this option, (s)he must receive prior written approval from the Agency and make a grade of at least a "C".

13.4 Policy Exceptions

Exceptions to this policy will only be granted if there is medically documented evidence of incapacity and/or other extenuating circumstances. Requests for exceptions which must be submitted in writing to the Director of Services for the Blind and Visually Impaired will be scrutinized carefully and granted only in those cases where a TBE Manager has made every effort to attend training but simply cannot due to extenuating circumstances. Inability to get someone to run the facility during the TBE Manager's absence will not be suitable grounds to grant such an exception. In the event a Manager has difficulty finding a substitute Manager, the BE Consultant should be

contacted for assistance in locating one. However, it must be understood that finding a substitute is solely the responsibility of the licensed Manager and not the Agency.

13.5 Reclassification of Facilities

If the classification of a facility changes and the current Manager does not possess the necessary certification, the Manager must make arrangements within thirty (30) days from the date (s)he is notified of the change of classification to attend and successfully complete the next regularly scheduled training class. Failure to gain the appropriate certification(s) shall result in removing the Manager from the facility and placed on transfer status.

If a facility's classification changes as the result of the implementation of the provisions of this Operations Manual and the Manager does not possess the necessary certification(s), that Manager must seek certification in accordance with the above paragraph. An exception is that those Managers operating inmate commissaries at the time of the implementation of this operations manual or Managers who successfully operated an inmate commissary during the 12 months prior to implementation will be automatically granted certification to manage Category 8 and 9 facilities.

14.0 *BID PROCEDURE*

14.1 Bid Announcements

Bid announcements for a TBE facility shall be sent to all licensed Managers within the state. The current bid announcement form can be found in Appendix D.

All bid announcements shall be sent by regular mail. The Manager's signature on the bid announcement shall authorize the Agency to release to members of the interviewing panel information relative to the record of performance of the Manager for the preceding twelve (12) month period. In addition, the signature of the Manager on the bid announcement authorizes the Tennessee Department of Revenue to release to the Agency all information relative to the tax status of the Manager. Failure to sign the bid shall disqualify the Manager and (s)he will not be eligible to compete through the promotion process.

If technology and resources permit, the Agency may post bid announcements on TBE's website. This will not relieve the Agency of the responsibility of also mailing a hard copy of the announcements to all Managers. Managers may be permitted to submit bids on-line. If on-line bids are implemented, the Manager will have to check a box certifying agreement that the Agency may release the above referenced information to members of the interview panel and that the Department of Revenue may release to the Agency the Manager's records with respect to the payment of sales taxes.

14.2 Bid Process

The bid announcement shall remain open for a period of fourteen (14) days. Upon the closing of the bid announcement, the Agency shall provide to the secretary of the Committee of Blind Vendors a complete list of all Managers who have submitted bids whereupon the secretary shall verbally certify to the Agency the seniority ranking and the certification possessed by each Manager who has submitted a bid. Thereafter, the Agency shall make the facility award within a period of ten (10) working days pursuant to the procedures as set forth in 1240-6-5-.01 and the determination reached by the interviewing panel.

14.3 Eligibility To Have Bid Considered

A Manager is not eligible to have his bid considered if at the time of the bid announcement:

- A. the Manager is on probation;
- B. the Manager is delinquent with respect to the filing of any reports required by the State of Tennessee or is delinquent with respect to any financial obligations owed to the State of Tennessee;
- C. the Manager does not possess the certification required by the facility announced for bid;
- D. the Manager has refused the award of another facility during the previous twelve (12) months; or,
- E. the Manager has failed to appear for a scheduled promotion interview within the previous twelve (12)

months. This provision will not apply if the Manager withdrew from consideration at least forty-eight (48) hours prior to the scheduled interview.

F. The manager has not accrued any seniority within the past five (5) years and has not completed a refresher course as prescribed by 1240-6-5.06 (4).

15.0 ASSIGNMENT OF MANAGERS

15.1 Promotions

After the closing of bids and the verbal certification from the Secretary of the Committee of Blind Vendors with respect to seniority and certification of all bidding Managers, six Managers from those submitting bids shall be selected to compete for the promotion. The basis for this selection shall be seniority provided the Manager possesses the necessary certification(s). The Agency shall contact the six top candidates to determine their interest in the interview process. If one or more of these candidates decline, the Manager or Managers having the next greatest amount of seniority and the required certification(s) shall be selected.

If a Manager is notified that (s)he is eligible to be interviewed for a vacant TBE facility and accepts the offer to interview, the expectation is that the Manager will appear before the interview panel at the scheduled time. If a Manager changes his/her mind and no longer wishes to interview, the appropriate TBE Supervisor must be notified at least 48 hours prior to the scheduled interview. Failure

to provide such notification shall preclude the Manager from bidding on or being considered for promotional opportunities for twelve (12) months from the date of the scheduled interview.

After the selection process is complete, the six candidates will be interviewed by a panel consisting of one Agency representative designated by the Director of Services for the Blind and Visually Impaired, one area representative of the Committee of Blind Vendors in the region where the promotion is being made, and a third person jointly agreed to by the Agency and Committee representatives. This third person will not be a TBE staff person or a licensed Manager but preferably will be someone with knowledge of TBE or the vacant vending facility. In some cases, it may be appropriate to allow a property management official to serve in this capacity. The Agency representative shall serve as chairperson of the panel and shall contact the appropriate area representative of the Committee of Blind Vendors and other panel member to select a date and time for the interviews which will be conducted in the regional office supervising the facility.

The area representative participating on the panel shall be determined on a rotating basis in those regions having two or more representatives. In those regions having only one representative, the representative shall always be the participant with respect to his/her region. If the area representative(s) elects not to participate in the interviewing process or cannot participate in the interviewing process, the Chairperson of the Committee of

Blind Vendors or his/her designee shall serve on the panel. If the Chairperson of the Committee of Blind Vendors or his/her designee is unable to serve on the panel and there is to be no Committee participation, the Director of Services for the Blind and Visually Impaired will appoint a third member to the interview panel. If in the event the area representative or his/her relative is a candidate for a promotion, the Chairperson of the Committee of Blind Vendors or his/her designee shall serve on the interview panel.

The interviews shall be conducted and the successful Manager awarded the bid within ten (10) working days from the date the Agency receives verbal certification from the secretary of the Committee of Blind Vendors. This verbal certification shall not be sought until after the candidates have been cleared by Fiscal Services and the Department of Revenue as eligible to interview.

On the date the interviews are conducted, the Agency representative shall share with other panel members the record of performance of the candidates to be interviewed. The information will be shared using the Promotion Record of Performance which can be found in Appendix D.

All information provided to panel members including the interview is of a confidential nature and all panel members are precluded from discussing the interview with persons other than the panel members.

Candidates will be interviewed individually and should be prepared to answer questions posed by the panel members in the following areas:

- A. Work History
- B. Business Planning
- C. Record Keeping
- D. Merchandising and displaying techniques
- E. Handling of complaints
- F. Refund Policy
- G. Pricing Philosophy
- H. Dealing with competition
- I. Personnel Policies

The above are general categories and no panel member is required to ask questions in a specific area.

Panel members may ask questions in other areas as well provided that the questions do not pertain to matters relating to the Manager's personal life or questions related to race, color, national origin, religion, disability, age, or gender.

The panel shall rate each candidate based upon his/her records of performance (including years of service), responses received to questions, as well as personal appearance, demeanor, and attitude. To demonstrate

one's record of performance, a Manager who is being interviewed will be allowed to submit letters of recommendation written on their behalf, as well as, any other documentation they would like to provide. However, it would be improper for a Committee representative or TBE staff person to write a letter on behalf of any candidate. Each panel member shall rate the candidates according to the following:

First Choice 6 points

Second Choice 5 points

Third Choice 4 points

Fourth Choice 3 points

Fifth Choice 2 points

Sixth Choice 1 point

If in the opinion of a panel member, two or more candidates are equal, the panel member shall give the highest rating to the candidate possessing the greatest amount of seniority. The rating shall be done by individual ballot. The ballots shall be collected by the chairperson of the panel and the ratings tabulated by the panel members, and shared with other panel members before notifying the successful candidate. The chairperson shall then immediately advise the successful Manager of the award. The Manager must either accept or reject the award at that time unless engaged in multiple interviews. If the candidate elects not to accept the award, (s)he will not be

eligible to bid on future facilities for one full year. In such an event, the candidate receiving the next highest rating shall be awarded the facility. In the event two candidates receive the same rating, the Manager having the greatest seniority shall be awarded the facility. All interviews shall be taped by the Agency and an interviewing Manager may have access to a tape copy of their interview.

In the event only one Manager bids on a vacant facility, the Agency will advise the Manager that the facility is being awarded to him/her. The Manager will be given forty-eight (48) hours to either accept or reject the award. If the Manager elects not to accept the award, there will be no consequences in the way of penalties.

Even though the awarding of the facility may have been made, the Manager must be current with respect to all financial obligations owed to the State before assuming the operation of the facility as a permanent assignment. If delinquencies are identified, the Manager shall have thirty (30) days to liquidate the indebtedness. Failure to do so within the prescribed period of time shall result in the Agency's revoking the award of the facility and proceeding to award the facility to the Manager possessing the next highest rating from the interviewing panel.

All expenses incurred by the members of the panel with respect to travel, meals, and lodging shall be reimbursed by the Agency in accordance with the State Comprehensive Travel Regulations. Travel expenses will also be paid for any Manager who must travel outside of his/her region to attend an interview. The Agency will not

reimburse a Manager to travel to visit a facility for which the Manager is considering submitting a bid.

15.2 Transfers

Managers may transfer to another facility if:

- A. A decision is made to close a facility which is not influenced by a lack of performance by the Manager;
- B. The classification of the Manager's facility changes and the Manager fails to obtain the certification(s) required to continue as Manager;
- C. The potential customer base experiences a 30% permanent decline in terms of population as compared to the figure stated on the bid announcement.
- D. The Manager is on medically documented sick leave and requests a transfer.

A Manager who is placed on transfer status pursuant to Subsection D above will not be notified of vacant facilities within his/her transfer range and won't be eligible for a new assignment until the Manager's physician has advised the Agency in writing that the Manager is physically able to return to work and can perform the duties of a facility Manager.

Transfers shall be lateral in that no financial advantage or disadvantage shall be realized by the Manager. The gross sales figures of a facility to which the Manager is transferred shall not fluctuate more than 15%, plus or

minus, relative to the gross sales figures of the facility from which the Manager is transferring.

In establishing the range for which a Manager is eligible to transfer. The Agency shall compare the gross sales of the Manager's current facility for the past twelve (12) months to those posted on the bid announcement (if available).

The higher of the two figures will be used as the basis for transfer eligibility. For example, if a Manager is transferring from a facility which had gross sales of \$150,000 for the past twelve (12) months but the bid announcement projected sales to be \$200,000, the transfer range shall be based on the higher number which would result in a range between \$170,000 and \$230,000.

In the event more than one Manager on transfer/demotion status qualifies for a vacant TBE facility, then the six candidates with the greatest seniority shall have the opportunity to interview for the vacancy pursuant to 1240-6-5-.01. A Manager may transfer to a facility anywhere in the State provided the above conditions are met.

After notification of eligibility of a particular facility falling within transfer/demotion range, such Manager shall be given up to five (5) working days to make his/her decision.

Managers shall continue to accrue seniority while awaiting a transfer provided that the accrual shall not extend beyond a period of two years from the date that transfer eligibility was established. After the lapse of this two year period of time the Manager is no longer eligible for transfer.

If a Manager is awarded a facility through the promotion process and the sales of that facility are projected to fall within the range of the transfer eligibility or exceed 15% of the gross sales of the facility from which the Manager establishes transfer eligibility, the Manager then loses his transfer eligibility.

15.3 Demotions

An established Manager may be demoted from his/her present facility if the Agency determines that the Manager is not capable of operating the facility. A demotion can only be granted to a facility with annual gross sales projected to be less than 85% of the annual gross sales for the previous twelve (12) months of the Manager's previous facility.

Managers who have established demotion eligibility, may be assigned a facility without having to compete for the assignment through the interview process as outlined in 1240-6-5.01. Managers on demotion status will be interviewed at the same time as Managers on transfer status who qualify for the facility. If more than one Manager on transfer/demotion status qualifies for a vacant TBE facility, then the six candidates with the greatest amount of seniority shall have the opportunity to interview.

Managers who have been demoted and are awaiting reassignment will continue to accrue seniority and participate in the fringe benefit program for two years. After two years, the Manager must compete for vending facilities through the promotion process. A Manager may

be demoted to a facility anywhere in the state provided (s)he is appropriately certified.

15.4 Facility Relocation

Licensed TBE Managers, in good standing with TBE, whose facility closes as the result of his/her customers, Agency, organization, or company relocating to another building or facility, may accompany their customers to the new location provided that:

- A. The change will not result in an increase of gross sales of more than 15%;
- B. The TBE Manager is certified to manage the new facility; and,
- C. There is not another TBE Manager on the premises where the customers are moving.

If the TBE Manager is determined qualified, the new facility will not be available for advertisement. In the event the above conditions are not met, or if the Manager does not desire the location, the Manager will be placed on transfer status and the facility will be advertised to all TBE Managers. In the event more than one Manager is displaced as the result of a relocation, this section will not be applicable.

This section has no application to a situation where a Manager may have some of his customers relocate to a new site but the current vending facility will remain open and viable. If enough customers move, the Manager may

qualify for a transfer but the Manager has no inherent rights to service any particular group of customers.

15.5 Priority for Assignments

Whenever a TBE facility becomes available for permanent assignment, the Agency will make such assignments in the following order of priority:

A. The Agency will first meet any obligations which result from any decision rendered through the grievance process.

B. The Agency will next notify Managers who are on transfer or demotion status.

C. The Agency will next announce the availability of the facility to Managers statewide and allow them to compete through the promotion process.

No assignment can be made under this section without the Manager possessing the necessary certification(s).

15.6 Emergency Assignments

A. The Agency may remove a licensed Manager from a TBE facility without notice if:

(1) A hazardous situation exists which poses a potential threat to the safety of the Manager or others.

(2) A facility is on private property and management requests that the Manager be removed from the facility.

(3) A beginning Manager is still serving his/her initial six month probation and is not operating the TBE facility in accordance with the standards set forth in this Operations Manual.

(4) A situation develops which prevents a Manager from fulfilling his/her obligations as the Manager of the facility. This section has no application to medical leave provided the Manager makes the necessary arrangements to ensure the continued operation of the facility.

B. For the purpose of Subsection (A)(1) above, the Agency considers legally blind Managers who drive in conjunction with their duties as licensed TBE Managers to be a hazardous situation which poses a threat to the safety of others. If a Consultant becomes aware that a Manager is driving a vehicle while performing the functions of his/her job, the Consultant shall:

(1) Send written notice to the Manager, with a copy to the BE Supervisor, advising him/her that driving is considered to be a hazardous situation and directing him/her to cease driving immediately; and,

(2) Make arrangements to have the Manager re-examined by an ophthalmologist pursuant to Section 7.4 of this Operations Manual.

The Agency recognizes that some legally blind individuals can drive and operate automobiles legally with the aid of bi-optic lenses. This provision shall not be used against any licensed Manager who has been issued a valid

Tennessee driver's license pursuant to Chapter 1340-1-2.04(8) of the rules and regulations of the Tennessee Department of Safety. The Manager shall be required to provide valid documentation of such license which shall be maintained on file by the Agency. If a manager possesses such a license (s)he is expected to use the bi-optic lenses as required by the law. A manager who is observed by TBE staff driving without the use of these bi-optics will be required to be re-examined by an ophthalmologist pursuant to Section 7.4 of this Operations Manual.

C. If it becomes necessary for the Agency to remove a licensed Manager for any of the reasons cited above, the local representative(s) of the Committee of Blind Vendors will be advised within twenty-four (24) hours of such removal and the circumstances necessitating the action.

D. Once the Manager is removed from a facility, the Agency will conduct a thorough review of the situation within ten (10) working days and based upon the results of the investigation, the Agency will proceed in accordance with one or more of the following:

- (1) Initiate disciplinary action as may be appropriate
- (2) Place the Manager on demotion status
- (3) Require the Manager to undergo additional training to correct any deficiencies
- (4) Reinstate the Manager to the facility if it is determined that the Manager was not at fault and can operate the facility efficiently

(5) Place the Manager's name on the Ready-for-Employment List and allow him/her to compete in the promotion process.

If a Manager is removed, the Agency will be responsible to ensure the continued operation of the facility.

E. If the Agency decides not to return a Manager to his/her facility after having removed him/her pursuant to this section the Manager will be afforded an opportunity upon his/her request for an informal due process hearing. This hearing will be conducted within ten (10) days of the removal by a Hearing Officer appointed by the Commissioner of the Department of Human Services. The hearing will be informal and both sides will have an opportunity to present evidence. The burden of proof shall rest with the Agency. If dissatisfied with the decision of the Hearing Officer, the Manager may appeal for an evidentiary fair hearing.

15.7 Temporary Managers

The Agency may, at its discretion, place a vacant TBE facility under temporary assignment if circumstances warrant it. This will most commonly occur when:

A. A Manager leaves a facility and a temporary Manager is needed until a permanent assignment can be made.

B. A facility has been announced for bid and no licensed Manager has bid on it.

C. The instability of a facility makes it impractical for the Agency to announce the facility for bid.

D. It is a new facility and a Temporary Manager is required to establish sales .

Temporary Managers may or may not be licensed Managers and may or may not be blind. However, when making temporary assignments, the Agency will give preference to licensed Managers currently managing facilities and prospective Managers on the Ready-for-Employment List. A facility may remain under temporary assignment for an indefinite period of time although the Agency will ensure that a facility under temporary management will be announced for permanent assignment as soon as it is practicable. It is understood that the Agency may have to make a time commitment in order for a temporary manager to accept an assignment. Unless there are unique circumstances which dictate otherwise and which have been communicated to the local representative(s) of the Committee of Blind Vendors, this time commitment will generally not exceed six months. Agency staff will review with the local Committee representatives at their quarterly meetings all facilities under temporary management and mutually decide whether or not to recommend to Central Office that a facility under temporary management should be announced for bid.

All temporary Managers must sign a standard Instrument of Facility Assignment and comply with the rules and regulations and the provisions of this Operations Manual.

15.8 Installation of a TBE Manager

A. When a Manager is assigned to a TBE facility, the TBE Consultant will consult with the Manager about the overall operation and will introduce the Manager to key property management officials if practical. The Consultant will be available to assist the Manager as much as possible to ensure a smooth beginning. Every effort will be made to provide uninterrupted service to facility patrons during the change in assignments.

An equipment and merchandise inventory will be conducted and the Consultant will ensure that each of the following is completed:

- (1) An IOFA is signed and a copy given to the Manager.
- (2) The Merchandise Inventory Record (Form BE-12) is signed and a copy given to the Manager.
- (3) The Consultant will provide a copy of the facility permit to the Manager if an executed copy is available.
- (4) A copy of the equipment inventory will be given to the Manager.
- (5) The Manager will provide a notice that personal and product liability insurance is in force.

B. In those cases where a Manager is receiving his/her initial assignment, the Consultant will also ensure that:

- (1) The request for a sales tax certificate is executed.

(2) The enrollment form for health insurance is completed and submitted to Central Office.

C. A newly licensed Manager will be required to complete a six (6) month performance probation during which he/she is not eligible to bid on another facility. This probationary period can be met as either a temporary or permanent Manager provided that the Manager serves six (6) consecutive months. If, during this probationary period the Manager violates the rules and regulations and/or policies contained in the operations manual or demonstrates that he/she does not have the ability to effectively manage the facility, the Agency may remove the Manager from the vending facility. After the removal the Agency will determine whether or not to proceed with termination of license, require additional training, or allow the Manager's name to be placed on the Ready for Employment list.

16.0 MANAGER'S OBLIGATIONS AND RESPONSIBILITIES

16.1 Manager's Duties

A. The TBE facility Manager will at all times operate the TBE facility to which (s)he is assigned in accordance with the following:

- (1) The TBE rules and regulations ;
- (2) The terms and conditions of the permit;

(3) The terms and conditions of the Instrument of Facility Assignment;

(4) State or federal laws and regulations of other Departments which may relate to the operation of the TBE facility;

(5) The policies and procedures contained in this Operations Manual; and, TBE's established Code of Ethics

B. The Manager will be responsible for having the TBE facility open for business on the days and during the hours specified in the permit and/or bid announcement.

C. The Manager shall maintain the highest standard of personal appearance, grooming, and conduct so as to win and retain the respect of property management officials and patrons of the facility. This will include adhering to the dress code as described in Section 16.4.

D. The Manager will maintain the facility in a neat and clean manner and adhere to any sanitation practices jointly developed by the Agency and Committee of Blind Vendors. If deficiencies are identified by the TBE Consultant during cleanliness inspections, the Manager will take immediate steps to correct such deficiencies.

E. The Manager may establish credit accounts as he/she deems appropriate provided that the Agency shall have no liability under such credit accounts.

F. The Manager will maintain at all times the initial level of inventory provided by the Agency. In addition, however, it

is also required that the Manager maintain an inventory which is adequate to meet the needs of the customers. This amount may indeed exceed, and in most cases does exceed, the initial level provided by the Agency. The merchandise shall be fresh, in sufficient variety, and attractively and neatly displayed. The Manager will complete and submit to his/her TBE Consultant a complete merchandise inventory no later than February 15th of each calendar year. Upon request of the Manager, the Consultant will assist in jointly conducting this inventory at a time mutually agreeable to both the Consultant and Manager.

G. The Manager will provide customer services in a cheerful, polite, and courteous manner and at all times present a positive, professional image of TBE. Activities that may detract from a professional image are watching television, playing games, talking excessively on the telephone while serving customers, allowing children to stay at the facility, permitting extended visits from personal friends, and discussing personal matters or complaining to customers. This list is not intended to be all-inclusive but is presented for illustration purposes only.

H. The Manager must establish refund policies and be sure that the policies are in some fashion communicated to the customers.

I. The Manager will be accountable to the Agency for the proceeds of the business of the facility, and will retain the proceeds and handle reimbursements appropriately or if necessary the Manager will make disbursements in

accordance with instructions from the Agency including making payments to suppliers and meeting all other financial obligations of the business.

J. The Manager will carry on the business of the TBE facility in compliance with applicable health laws and regulations.

K. The Manager will take proper care of the equipment of the TBE facility, and will make major changes therein only with the approval of the Agency.

L. The Manager will properly stock all vending machines with sufficient variety and quantity of products to meet the needs of the customers and will ensure that the machines are clean and attractive.

M. The Manager will maintain and furnish to the Agency reports as required by this Operations Manual. This includes filing a monthly financial report and the payment of set aside fees.

N. The Manager will notify the Agency in advance of taking any voluntary leave and as soon as possible with respect to any involuntary leave. The Manager will provide for substitute operation of the TBE facility as may be necessitated by the Manager's absence because of illness, vacation, or otherwise. The salary of the person who substitutes for the Manager, or that of other emergency help, shall be charged to the vending facility where the service is performed.

O. The Manager will at all times cooperate with duly authorized representatives of the Agency in connection with their official responsibilities.

P. The Manager will take no action in the derogation of, or in consideration with, the paramount right, title, and interest of Tennessee Business Enterprises, the TBE facility or its equipment, and the permit between the Agency and property management.

Q. The Manager will obtain and maintain in force, as an expense to the facility, personal liability and products liability insurance with limits as specified in the permit or by property management. In the absence of a permit or any specific requirements by property management, the Manager shall maintain general liability and product liability with limits of not less than \$100,000 per claim and \$500,000 aggregate. Such insurance shall name the licensee and property management as co-insured. Additionally, if a vehicle is required as part of the business operation, the Manager will be responsible for maintaining commercial liability insurance on that vehicle. The Manager must obtain and file with his/her TBE Consultant certificate(s) indicating that such insurance coverage(s) is in force. The Manager must immediately report to his/her TBE Consultant any claims or suits which may be brought against him/her as the result of any accident at the facility.

R. If required by State law as a consequence of the number of employees, the Manager will obtain and maintain workman's compensation insurance and file with

his/her TBE Consultant a certificate indicating that such insurance is in force.

S. The Manager will employ a sufficient number of assistants to ensure an effective operation and to provide adequate services to the customers.

Such additional staff will be hired in accordance with the following:

(1) It shall be the responsibility of the Manager to provide training and supervision to his/her employees.

(2) The Manager shall be responsible for adherence by his/her employees to the rules, regulations, and policies of TBE and other governmental agencies.

T. The Manager shall apply for and pay for applicable permits and licenses required to operate a TBE facility.

U. The Manager will handle customer complaints promptly and fairly and will be courteous and treat complaining customers with respect.

V. The Manager will recognize any partnership arrangement entered into between TBE and a private entity to meet TBE's obligations under a permit. The Manager will work cooperatively with that partner. An example of such a partnership would be some of the inmate commissaries where TBE uses the software and pays for technical support from a private company with expertise in that area.

W. The Manager shall work a normal workweek of at least thirty (30) hours and shall be present at his/her facility at least five days per week. Exceptions may be granted by the Agency upon request by the Manager in certain seasonal facilities.

X. The Manager must report to the Agency within five days any bankruptcy action filed by the Manager which may potentially impact the Agency or the creditors of the facility.

Y. The Manager shall establish prices which are consistent with prevailing prices in the same general locality. Price increases will be made in accordance with the terms of the permit if applicable.

Z. The Manager will sell only those articles as specified in the permit and approved by property management and the Agency.

16.2 Recordkeeping and Financial Reporting

Each Manager is required to file a monthly financial report with the Agency. These reports will be done on forms furnished by the Agency and will summarize the financial activities of the facility for the month indicated. Managers with computers will be permitted to submit computer generated reports provided that the format is approved in advance by the Agency. Managers may also file reports electronically "on-line". A copy of the report and the instructions for completing it are included in Appendix A of this Operations Manual.

Reports must be postmarked no later than the 8th day of the month following the month business was transacted. If the 8th day of the month falls on a Saturday, Sunday or holiday, the report and accompanying set-aside fees must be postmarked no later than the next business day. Reports and accompanying set-aside fees should be mailed to the following address:

TBE

P. O. Box 198271

Nashville, Tennessee 37219

Failure to file the report timely shall result in the Manager being assessed a \$25.00 late fee. This in addition to any late fee assessed for not paying set aside fees.

The Manager must maintain copies of all documentation supporting the information provided on the reports and make them available, upon request, to their Business Enterprise Consultant for review. The Manager must maintain such records for a minimum of four years. In addition, Managers are expected to comply with record retention requirements of other government agencies such as the Internal Revenue Service.

16.3 Standards of Performance

In order to accurately gauge the quality of the job being done by a Manager, his/her performance must be measured in a number of different areas. Areas that should be measured include the level of cleanliness of the

facility; gross and net profit percentages; accuracy of reporting; and customer satisfaction. TBE has established minimum standards by which a Managers performance should be measured. These include:

A. Facility Cleanliness - On a quarterly basis the Business Enterprise Consultant will conduct inspections of the vending facilities to evaluate cleanliness and overall appearance. The form being used will give numerical value to different areas with a total point value of 100. Managers are expected to maintain a score of at least 90 on all inspections. If a Manager fails to achieve a score of 90, the Business Enterprises Consultant will conduct are-inspection in accordance with Section 17.5 of this manual and no disciplinary action will be initiated except as permitted by Section 17.5.

Gross Profit Percentage - Maintaining an adequate gross profit percentage is an important measure to ensure proper profit margins. The standards for Managers are as follows:

- (1) All Counter - 40%
- (2) All Vending - 45%
- (3) Counter/Vending - 40%
- (4) On-Site Food Prep - 40%
- (5) Food Prep/Vending – 45%
- (6) Cafeterias - 40%

- (7) Cafeteria/Vending – 40%
- (8) Commissary – 50%
- (9) Commissary/Vending - 50%
- (10) Highway Vending – 50%

C. Net Profit Percentage - Net profit percentage is a key since it directly reflects the earnings of the Manager and consequently determines the amount of administrative fees paid to help perpetuate the program.

Minimum standards have been established as follows:

- (1) All Counter - 25%
- (2) All Vending - 30%
- (3) Counter/Vending - 25%
- (4) On-Site Food Prep - 15%
- (5) On-Site Food Prep and Vending – 17%
- (6) Cafeterias – 15%
- (7) Cafeteria/Vending – 20%
- (8) Commissary – 28%
- (9) Commissary/Vending – 28%
- (10) Highway Vending – 40%

D. Customer Satisfaction – The ultimate

measure of any Manager's performance is the degree of satisfaction of the customers served on a daily basis. Once annually the TBE Consultant will distribute Customer Satisfaction Surveys to customers to complete and return to the Regional Office. These survey forms will be developed by the Agency with full participation of the Committee of Blind Vendors. The standard in this area will be an average 85% satisfactory rating.

The Customer Satisfaction Survey can

be found in Appendix D. Some property management officials prefer to conduct their own customer satisfaction surveys. In such cases, the results of that survey will be used to determine whether or not the Manager met this performance standard.

The above are minimum standards which

should be the goal of every Manager. If a Manager fails to meet any of these standards, the TBE Consultant will work jointly with the Manager to identify problems, if any, and arrive at solutions. Areas of deficiency will be identified and addressed in the Annual Facility Plan. If the Manager refuses or fails to follow through with the action steps in the Annual Facility Plan and the Manager continues, over an extended period of time, to fall below acceptable standards in any of these areas, the problem may be dealt with through the disciplinary process. It should be noted that disciplinary action shall be based upon the Manager's failure to take corrective action. Failure to meet a standard in and of itself shall not be grounds for disciplinary action

unless the Manager has been given ample opportunity to correct any deficiencies. This paragraph in no way is intended to limit the Agency's ability to initiate disciplinary action as permitted in other sections of this manual or the rules and regulations.

16.4 Standards of Appearance

(1) It is the responsibility of the Manager to ensure that (s)he and his/her employees maintain the highest standard of professional appearance at all times. The image of TBE is established in large part based upon the perception that facility customers and the general public have of facility Managers in their buildings. For that reason, it is imperative that Managers maintain high grooming standards to enhance the image not only of TBE but also of blind people in general.

(2). It is not required that TBE Managers and their employees wear specific uniforms unless mandated by the permit. Individual Managers may choose to require these in their facilities. However, a strict dress code has been established and all Managers and their employees are required to adhere to it in order to comply with 1240-6-10.02(1) of the TBE rules and regulations. Generally, Managers and their employees are expected to dress in a professional manner at all times according to the environment in which their facility is located. For men, this would mean a pair of slacks and shirt with a collar. Ties are optional but should be considered in certain office environments. Women should wear dresses, skirts, or slacks. The following are not allowed:

- (a) T-shirts
- (b) Jeans with patches, holes, or frayed ends
- (c) Shorts
- (d) Tank tops, tops with spaghetti straps, and/or sleeveless tops
- (e) Sun dresses
- (f) Sandals
- (g) Body piercings other than the ear

Walking shorts and caps will be allowed provided they are part of a standard uniform worn by all employees of the facility. For example, khaki shorts and a navy blue shirt with a collar may be considered a uniform if all employees wear it.

(3) This dress code will be waived if all building occupants are observing a special occasions such as Casual Friday. However, on these occasions, the Manager and his/her employees will be required to meet the standards established by property management.

(4) Managers and their employees are expected to maintain a high level of personal hygiene and to have their hair clean and neatly groomed (including facial hair). Hair should be worn in normal colors.

The dress code provisions may be waived on an individual basis for documented medical reasons.

16.5 Drug Free Environment

TBE vending facilities are drug free environments. It is the responsibility of the Manager to ensure that (s)he strictly adheres to this requirement since failure to do so could jeopardize TBE's priority to operate the vending facility. The Manager should take steps to ensure that his/her personnel manual addresses this issue. The Manager may choose to require drug screenings on prospective employees and should include a provision in the personnel manual that allows random drug testing. If there is reasonable evidence (unusual behavior, third party reports, etc.) that a Manager may be using illegal drugs, the Agency may require that the Manager undergo an independent drug screening at a location specified by the Agency. The screening will be conducted at Agency's expense. If the screening indicates the use of illegal drugs, the Manager may be immediately removed from the facility pursuant to Section 15.6 of this Operations Manual.

16.6 Professional Development

Remaining current on trends in the vending and food service industries and state and national issues that affect the Randolph Sheppard Program is an important responsibility for each and every TBE Manager. This can be accomplished by attending seminars, conferences, and training opportunities sponsored by such organizations as the National Automatic Merchandising Association (NAMA), Tennessee Automatic Merchandising Association (TAMA), and the National Restaurant Association. It can also be achieved through involvement with the national

consumer organizations such as the National Association of Blind Merchants (NABM) which is affiliated with the National Federation of the Blind (NFB) and the Randolph Sheppard Vendors of America (RSVA) which is associated with the American Council of the Blind (ACB). The Agency wants to encourage participation in these activities and organizations. Depending upon the availability of funds, the Agency, after consultation with the Committee of Blind Vendors, may consider:

Paying registration fees to attend seminars, conferences, conventions, or training opportunities;

Reimbursing a Manager for membership dues in one organization that directly relates to the Randolph Sheppard Program (i.e. NABM or RSVA).

Even without such financial incentives, the Manager should consider it his/her responsibility to get involved in these organizations.

17.0 MANAGEMENT SERVICES

17.1 Supervisory Services

A. The Agency recognizes that effective

management services are contingent upon the establishment and maintenance of smooth working relationships between Agency staff, property management officials, licensed TBE Managers, and others who are involved with the program.

Each Manager shall be provided with regular and systematic supervisory services by their assigned TBE Consultant. To insure consistent and effective support, the Agency shall establish standards of performance for all TBE Consultants.

These standards will include formal feedback through an annual survey of the Managers being supervised. The Consultant Satisfaction Survey can be found in Appendix D.

Consultant services shall include:

- (1) Interpreting the Agency's rules and policies and procedures.
- (2) Suggesting ways in which the facility may be made more profitable for the TBE Manager.
- (3) Helping maintain positive relationships with customers, employees, and property management officials.
- (4) Assisting in arriving at possible solutions to problems recognized by the TBE Manager or brought to the TBE Manager's attention by the TBE Consultant or property management officials.

B. TBE Consultants are required to observe and to make certain that all facilities in their respective territories:

(1) Facilities are operated in compliance with all rules promulgated by governments having jurisdiction over the administration of the program.

(2) Any assistants hired by the TBE Manager have been employed in accordance with TBE rules.

(3) There is compliance with all conditions with respect to the IOFA and permit.

(4) The merchandise sold is in compliance with the permit and is offered for sale at competitive prices.

(5) Personal appearance and grooming standards of all persons associated with the facility meet the high standards set forth herein.

(6) Provide a high standard of customer service.

(7) Housekeeping conditions are clean and sanitary, including adequacy of stock, conditions of storage and display of merchandise, and conditions of refrigeration and other equipment.

(8) No stale or otherwise inferior merchandise is being sold.

(9) The facility is being operated efficiently, including adequacy of record keeping and reporting.

(10) There is compliance with all TBE rules and will call to the attention of the Manager practices which may be in violation of the TBE policies.

(11) The TBE Consultant will ensure that the facility has adequate equipment to meet the everyday demands of the facility.

(12) The TBE Consultant will follow up on repair and maintenance problems encountered with TBE facility equipment.

17.2 Consultant Visits

A. Visits to the facility by the TBE Consultant shall be made as often as necessary to ensure the continued success of the facility. Managers whose performance indicates a need for assistance will naturally be visited more frequently than those Managers who are managing their facilities well. TBE Consultants must place extra emphasis on helping Managers where business shows marginal performance. The length of the consultant visit shall be of adequate duration to determine any deficiencies which may exist in the operation of the facility and to advise the Manager of such deficiencies and of any operational changes which the TBE Consultant considers of benefit.

During each visit, the TBE Consultant will make observations and document the findings in the following areas:

(1) Quantity and Variety of merchandise

- (2) Appearance of displays and machines
- (3) Appearance of Manager and employees
- (4) General cleanliness
- (5) All equipment is functioning properly

B. The TBE Consultant will also, to the extent that it is relevant, discuss with the Manager:

- (1) Suggestions which will aid the Manager in the successful and efficient operation of the enterprise.
- (2) Violations of the Agency's rules and regulations and/or policies and procedures.
- (3) Any unsatisfactory conditions relating to any aspect of the facility and recommendations for improvement.
- (4) Follow-up action taken on deficiencies noted on previous visits.

Each time the TBE Consultant visits a facility, the TBE Consultant will make a notation on the Facility Site Visit Form in the facility file summarizing the findings and areas of discussion. This will be maintained in the facility file in the local office.

A copy of the Facility Site Visit Form can be found in Appendix D.

17.3 Scope of Consultant Visits

The TBE Consultant may inquire into any aspect relevant to the facility. The TBE Consultant may inventory or audit the facility provided that the Manager is given prior day notice. The TBE Consultant will not inquire into the personal problems or affairs of the TBE Manager, unless these problems or affairs seem to be adversely affecting the operation of the facility.

17.4 Disposition of Complaints

Any complaint received by the Agency against an assigned Manager will be immediately communicated to the Manager. At the same time, the TBE Consultant will investigate the complaint to determine its validity. If the investigation reveals no basis for the complaint, the Manager's record will be purged. If the investigation of the Consultant reveals that the complaint is legitimate, the complaint and the Manager's response will become a part of the Manager's permanent record for a period of one year after which it will be automatically purged. The solution to all legitimate complaints will be jointly developed by the Manager and TBE Consultant and the implementation of the solution will be the responsibility of the Manager. If the complaint is in writing, the Manager may elect to file a written response provided it is received by the Agency within thirty (30) days from the date the Manager was furnished with a copy of the complaint.

17.5 Facility Inspections

A. All TBE facilities will be inspected by the TBE Consultant on a quarterly basis in the following areas:

- (1) Food;
- (2) Food Protection;
- (3) Personnel;
- (4) Food Equipment and Utensils;
- (5) Other Operations;
- (6) Floors, Walls, Ceilings;
- (7) Garbage and Refuse Disposal;
- (8) Administration;
- (9) Vending Merchandise;
- (10) Vending – Machine Appearance; and;
- (11) Vending – Machine Interior.

The Facility Inspection Form can be found in Appendix D.

B. The results of the inspection and evaluation will be noted on a standardized form. A copy of the form with notations will be presented to the Manager. The findings will be discussed and recommendations made to correct any deficiencies observed. The Manager will then have three working days to correct the identified problems and a subsequent inspection will be made within a period of seven working days to verify compliance with the recommendations. A report will be forwarded to Central Office on Managers who fail or neglect to initiate corrective action and the Manager may be placed on probation.

C. If it is necessary for a report of the findings to be submitted to Central Office, the report will be made a part of the Manager's record. The report and any evidence of disciplinary action as a result thereof contained in the records will be purged from the files provided that the Manager has no identified problems for a period of one year.

D. It is recognized that the local Health Department will also be conducting inspections of TBE vending facilities. Although these inspections may appear to be similar in nature, they are different in several significant ways. In addition to things that may endanger the health of the facility customers, the Business Enterprise Consultant is looking at the overall appearance of the facility and the image presented to the public. In those areas that are similar, TBE's standards may be higher than the Health Department's. Therefore, these scores may be higher than the ones given by the BE Consultant; however, under no circumstances will the Health Department score supersede that given by the Agency. It should also be noted, that it is the Agency inspection score which will be shared with an interview panel if the Manager is being considered for a promotion.

17.6 Annual Facility Plan

It is the responsibility of the TBE Consultant to evaluate the performance of Managers under his/her supervision and to assist each Manager in maximizing his/her vocational potential. In order to do this the Consultant must have frequent contact with the Manager and be

familiar with all aspects of the TBE facility operation. The Consultant will assess each Manager's skills and abilities and performance using all available information including personal observations, feedback from patrons and property management, review of facility financial records, etc.

Performance evaluation is an ongoing process. However, the Consultant and Manager will jointly develop a Facility Plan of Action a minimum of once each year. This plan will describe what actions are needed during the coming months to improve the overall operation of the TBE facility. The plan will specify what needs to be done by whom and time frames for completion. It should be stressed that the plan is a mutual effort between the Consultant and Manager.

A copy of the Plan of Action can be found in Appendix D.

18.0 FACILITY AUDITS

18.1 General

The Manager's monthly reports and all supporting documentation will be subject to examination, analysis, and/or audit at any time.

18.2 Consultant Reviews

A. The TBE Consultant will do a semi-annual review of each TBE facility. This review will include, but not be limited to the following:

- (1) Liability insurance is current
- (2) Sales tax and business taxes have been paid
- (3) Withholding deposits have been made, where applicable
- (4) Workman's compensation has been paid, where applicable
- (5) Gross/net profit percentages meet acceptable standards
- (6) Expenses and purchases are being reported accurately
- (7) BE-5b and administrative fees are current
- (8) Annual Plan has been done
- (9) Equipment inventory is current

This review process may require validating the accuracy of sales being reported by the Manager. It could require reading meters on vending machines and/or reviewing daily sales receipts. The Manager will cooperate with the Consultant in these efforts.

If significant problems are identified, a more in depth analysis may be required. If irregularities are noted, the Consultant shall refer the matter to the TBE Supervisor

for review and resolution.

If errors are noted on the BE-5b reports, the Manager may be required to file an amended report and will be required to pay any additional administrative fees which may be due.

During a Manager's initial six month probationary period, the TBE Consultant shall conduct monthly reviews of the vending facility. This review shall include but not limited to the areas identified in section A above. The purposes of this review is to insure that the Manager is in compliance with all TBE requirements and to identify possible deficiencies. It is hoped that these reviews will insure a greater degree of success by the Manager.

18.3 Fiscal Services Reviews

The Department's Fiscal Services unit will also conduct reviews of selected vending facilities. Every six months Fiscal Services staff will select approximately three facilities to be reviewed, generally selecting at least one facility in each grand division of the state. The Fiscal Services review will include but will not be limited to the following:

- (A) Facility Monthly Financial Statements
- (B) All Inventory Records
- (C) List of Equipment
- (D) Invoices Covering Purchases

(E) Supporting Information for Expenses

(F) Insurance Policies

(G) TBE Manager's License

(H) Sales Tax Reports

(I) Bank Statements, canceled checks, check book stubs for the period

The Fiscal Service review will include a review of sales. Reported sales will be compared to projected sales which are based upon merchandise purchased, sampling of sales, and other generally approved auditing techniques.

In addition, Fiscal Services staff may be called in to assist if there are irregularities with the monthly reports or deficiencies are identified by the TBE Consultant as a consequence of their reviews.

18.4 Internal Audit

The Division of Internal Audit has the responsibility of conducting program and financial compliance audits of all programs within the Department of Human Services. In the course of doing such compliance audits, it may be necessary for staff to audit some vending facilities. In addition, Internal Audit may elect to conduct a full audit of any TBE facility if problems are identified or suspected.

18.5 Other Government Agencies

The above sections shall not be construed to restrict any audit required by other entities of government and authorized by federal or state laws. Each TBE facility Manager must immediately report to the Agency, in writing, any findings resulting from a governmental audit, either state or federal, or any citation for violation of any health regulations or any state law related to the operation of the TBE facility.

19.0 LINES OF COMMUNICATION

19.1 General

The Central Office staff of TBE is available for discussion and consultation of TBE matters, but problems or ideas can be considered most effectively when they are relayed through channels established for that purpose. Routine communications regarding a facility will normally be directed by the TBE Manager to the TBE Consultant. The TBE Manager should never consult with customers or building management personnel concerning personal problems. Licensed TBE Managers should contact the Business Enterprise Supervisor if an emergency should develop, and the TBE Consultant is not available to handle the situation.

A TBE Consultant must maintain open lines of communication with all the TBE Managers and Committee Representative in his/her area in order to fulfill his/her obligations. Any information or problems of which the Director of Services for the Blind and Visually Impaired should be aware are to be brought to his/her attention.

Any communication of major consequence should be reduced to writing. Written communications are required in many situations specified in this manual and any situation which could potentially become a problem.

20.0 ESTABLISHING NEW FACILITIES

20.1 Criteria To Establish New Stand Alone Facilities

It is the responsibility of the TBE regional staff to stay abreast of potential TBE facility locations in their local areas. When potential sites are identified, the staff person will contact the appropriate property management official and request permission to conduct a formal survey and make a presentation about Tennessee Business Enterprises. In identifying potential TBE facility sites, the following criteria will be considered:

A. The facility will be expected to generate sales which will produce an income to the TBE Manager which is equal to or greater than the average earnings of all Managers in the state. Exceptions to this criteria may be made provided the requirements in subsection (B) below are met. Sales meeting this criteria shall be based on:

(1) Historical data that is available with respect to that location; or,

(2) Sales projections based upon the number of potential customers and the type of facility requested. Generally, a minimum of five hundred potential customers will be required.

It is understood that the local representatives of the Committee of Blind Vendors have an important role to play when decisions are being made about potential new locations. The regional BE staff are expected to keep these representatives appraised of activities in this area and shall solicit appropriate input. This will include following up on leads of prospective sites which are provided to the staff by the Committee representative. Regional staff will follow up on these leads within ninety (90) days unless it is determined that the site does not meet the above criteria.

B. The facility should generate sufficient

set-aside fees for a full return on investment to the Agency within a period of five years.

If it is determined that the above criteria have been met, then the TBE Consultant will prepare a recommendation which shall be submitted to the TBE Supervisor. After consulting with the Director of Services for the Blind and Visually Impaired and after considering the availability of budgeted funds, the Supervisor will determine whether a facility will be economically feasible and in the best interest of TBE as a whole. After the decision to proceed with negotiations to establish a TBE facility, the TBE Consultant will initiate the permit and secure the necessary signatures. After approval has been obtained from the property management officials and Central Office, then the facility will be assigned a numerical designation and classified by type. The TBE Consultant shall initiate a Plan of Service to purchase equipment and initial stock as

soon as it is mutually agreeable to all concerned parties that the facility will open on a predetermined date. From time to time, it becomes necessary to combine buildings in order to make a facility large enough to support a TBE Manager.

20.2 Additions to Existing Facilities

If it is determined that a potential new location may not support a Manager, the Agency may consider assigning the new location, either temporarily or permanently, to an existing facility. It may be assigned temporarily if the Agency wants to establish some historical sales data upon which to make a decision about a permanent assignment. This temporary assignment may be for a specific or indefinite period of time. If the assignment is to be temporary, the Consultant should so advise the Manager in writing. If assigned on a temporary basis, the Manager will be responsible for keeping separate sales figures.

If the decision is made that a permanent assignment should be made to an existing facility, the Agency will consider proximity to other facilities, profitability of those facilities, and the abilities of the Managers. Unless there are unusual circumstances, a satellite should not be added to an existing facility on a permanent basis if it will increase the sales of that facility by more than 25% as compared to current sales or sales on the bid announcement, whichever is higher. This 25% cap will not apply if sales at the newly enlarged facility are projected to remain below the average for all TBE facilities.

20.3 Multiple Facilities

A. In all cases where multiple facilities are to be established on a single property, TBE Consultants will work with the TBE Supervisor and confer with the local representative(s) of the Committee of Blind Vendors concerning conditions of permits in negotiating terms with property management officials.

B. After having completed a survey of a property, the Agency may determine to establish one or more facilities on said property. Two or more facilities may be established provided that the projected annual gross sales for each facility shall be equal to or greater than the average gross sales of all TBE facilities.

C. It is understood that this procedure will not be used to establish an additional facility or facilities on the premises with an existing facility except in those cases where the following guidelines are met:

(1) Space is expanded and/or the population increases; or TBE has an opportunity to assume an existing operation on the premises which is currently under private management; or TBE is presented with an opportunity by Property Management to establish an additional facility that does not compete directly with other Manager(s) in terms of product lines.

(2) The gross sales of the existing facility shall not be projected to decrease more than 15% as compared to the previous twelve months' sales as a direct result of the

sales generated by the anticipated establishment of the additional facility. Factors not related to the sales generated by the newly established facility which might result in a decrease of sales of an existing facility shall not be considered.

20.4 Projecting Facility Sales

In attempting to accurately project gross sales of a particular facility, there are a number of factors which always need to be examined in order to determine the amount which each potential customer would spend in the facility every day. The following are criteria which the Consultant uses:

A. Historical Data - If historical sales figures are available from the company which previously provided the service at the location, this data will be given considerable weight in projecting sales, although it will not be the sole determining factor.

B. Population Count - The Consultant will

consider the number of potential customers including the number of transient customers and visitors. The number of shifts of employees within a twenty-four (24) hour period will also be taken into consideration.

C. The Consultant will consider type of service to be provided (i.e. counter, vending, food preparation, etc.) and the degree of vicinity competition.

Based on the information derived from the examination of these factors, the Consultant will make his/her projection of annual gross sales predicated upon no less than eighty (80) cents per day per customer. Note that this figure may rise substantially if the vending operation includes on-site food preparation and even higher if vicinity competition poses no problem. In these instances a minimum of \$1.25 per potential customer should be used. It is recommended that in most instances that a twenty (20) day month be used to calculate the annual gross sales.

20.5 Establishing Initial Inventory Levels

In determining the amount of merchandise to be purchased as an initial inventory level for a facility, the TBE Consultant must rely upon his/her projections for annual gross sales. It is important to realize that an initial inventory level is not totally sufficient to allow efficient operation of a facility. It is however, in such an amount to permit the Manager to begin operating. The Manager is expected to increase the inventory as circumstances require. Generally, an initial level of inventory shall be equal to one and one half ($1\frac{1}{2}$) weeks of gross sales for a non food prep operation and two and one half ($2\frac{1}{2}$) weeks of gross sales in a food prep facility. For example, if sales are projected to be \$4,000 per week in an all vending location, the initial inventory level should be equal to \$6,000. In a food prep facility, the initial inventory level would be \$10,000. Depending upon unique circumstances at a facility, this amount may need to be increased. Initial levels of inventory will not be increased by the Agency

unless there is a change in the nature of the facility in question or unless there is a re-assignment of the facility to a new Manager and a re-assessment of the initial inventory level warrants that it should be raised.

21.0 CRITERIA FOR CLOSING FACILITIES

21.1 General

The Agency will consider closing a marginal facility if:

It becomes vacant and no one bids on the location;

The facility is generating the current Manager less than \$15,000 in annual net income and that Manager is performing at an acceptable level; or,

The cost of maintaining a facility exceeds the revenue being generated in terms of set aside fees being paid by the Manager.

If Criteria (2) or (3) above are met, the facility will not be closed without the agreement of the current Manager. Any Manager displaced as the result of this procedure will be placed on transfer status.

21.2 Distribution of Closed Facilities

If the Agency determines that a TBE facility will be closed, the Agency shall, after consultation with the area representative(s) of the Committee of Blind Vendors, consider the following options:

A. If there is another blind operated TBE facility in the same general proximity, consideration will be given to combining the two facilities either temporarily or permanently. If there is more than one TBE facility in the same general area, the Agency will consider the profitability of the other facilities along with the abilities of the other Managers in making a decision as to which facility to attach all or part of the closing facility. Unless there are unusual circumstances, such facilities should not be permanently added to an existing facility if the sales of that facility will increase by more than 25% as compared to current sales or projected sales on the bid announcement, whichever is higher. This 25% cap will not apply if the sales for the newly enlarged facility are projected to remain below the average for all TBE facilities.

B. The facility may be incorporated into an existing vending route or a new route that is being established by the Agency. In the event the machines are being added to an existing route, the 25% cap described in subsection A above will be applicable unless sales are projected to be less than the average for all TBE facilities in the state.

C. If the above are not options, the Agency will consider converting an all vending facility to a full service vending operation with the proceeds going to the Unassigned Fund.

If Options A and B above are not practical and the facility is a food prep operation, the Agency may explore the possibility of contracting out the operation to a private

entity provided there is no cost to the Agency. Any funds derived from a contracted operation shall accrue to TBE's unassigned fund.

22.0 COLLECTION AND DISTRIBUTION OF INCOME

22.1 General

The Agency receives income generated by vending machines located on federal, state, and other properties. If income is received from federal property where an on-site Manager is located, the income received from that property shall be remitted to the on-site Manager provided that the amount remitted on an annual basis does not exceed the average net income for all Tennessee TBE Managers or the average net income of all national Randolph Sheppard Managers, whichever is less.

A minimum of 50% of the vending machine income received from state property pursuant to T.C.A. 71-4-504 may be included with the other revenue sources referred to above to be used for the purposes as determined by majority vote of the licensed Managers.

Up to a maximum of 50% of the annual revenue received from state property pursuant to T.C.A. 71-4-504 may be used by the Agency for program purposes, such as the establishment of new facilities, new equipment, and replacement of equipment. The exact percentage to be used by the Agency for these purposes shall be determined after a review of the recommendations

submitted by the Committee of Blind Vendors with respect to the amount to be used.

23.0 *MANAGERS' FRINGE BENEFITS*

23.1 Funding Source

TBE derives income from vending machines located on various Federal properties pursuant to C.F.R. 395.32 and State and other properties pursuant to T.C.A. 71-4-504. When developing its annual budget, the Agency, with the active participation of the Committee of Blind Vendors, will determine how such income is to be expended. A portion of this income shall be designated each year to fund the Managers' fringe benefit package. In preparing the budget, the Agency will ensure that at least 50% of the income derived from vending machines on state and other properties pursuant to T.C.A. 71-4-504 will be allocated for fringe benefits.

23.2 Eligibility

To be eligible to participate in the fringe benefits program, a Manager must be:

- A. permanently assigned, or
 - B. on transfer status and still accruing seniority, or
 - C. on demotion status and still accruing seniority
- Temporary Managers are not eligible.

23.3 Health Insurance

If adequate funds are available, the Agency and Committee of Blind Vendors will jointly select an insurance carrier to provide health insurance coverage for the Managers. If funds are sufficient, coverage will be extended to the Managers' dependents. Decisions regarding the selection of an insurance carrier are always based upon the comprehensiveness of the coverage, premium costs, and reputation of the company.

Managers who elect to participate in the group health insurance plan will be expected to pay a percentage of the monthly premium costs. The exact amount of the Manager's portion of the premiums will be determined jointly by the Agency and Committee of Blind Vendors on an annual basis and will be based upon the availability of funds and other program needs. The Manager must agree and provide the necessary information so that the Agency can electronically debit his/her bank account on or about the fifth day of each month for the Manager's share of the premium. If the ACH is returned for insufficient funds, the Manager will have ten (10) days to send in a cashier's check or money order in the exact amount of the premium plus a \$25.00 processing fee. Such situations will be treated as any other delinquency and the TBE Manager may be subjected to probation and possible termination of his/her license.

Participation in the group plan is strictly voluntary. If a Manager wants to withdraw from the plan once enrolled, (s)he must provide written notification to the Agency at least thirty (30) days prior to terminating coverage.

Depending upon the availability of funds, a hardship fund may be established to assist those Managers who simply cannot afford to pay their share of the premiums. If a Manager wishes to be considered for assistance through the hardship fund, (s)he must complete an application which will be provided by the Agency. The Manager must provide all data requested regarding household earnings including a copy of their income tax return for the previous year. The standard to be used in determining eligibility for assistance from the hardship fund will be the economic needs guidelines used in the Division's Vocational Rehabilitation Program. Managers who have access to other insurance coverages (including Medicare, TennCare, or private insurance) will not be eligible for assistance from the hardship fund. All applications for assistance will be reviewed jointly by the Director of Services for the Blind and Visually Impaired and the Chairperson of the Committee of Blind Vendors to determine a Manager's eligibility for assistance. The Manager will be advised in writing as to the decision which has been made.

23.4 Retirement Plan

If money is available after funding the insurance program, the Agency may make retirement contributions on behalf of each individual Manager. Depending upon a vote of the Committee of Blind Vendors, these contributions may be made into either an account established in the individual Manager's name or paid directly to the Manager to be invested as (s)he chooses. These contributions are

treated as taxable income and must be reported to the Internal Revenue Service. The Agency will prepare and issue a Form 1099 if contributions exceed \$600 in any calendar year. Managers may also contribute to their accounts. The Manager will have complete control of his/her own account and will make all decisions regarding investment options.

24.0 GRIEVANCE PROCEDURES

24.1 General

Any licensed Manager who feels that any action taken against him/her by the Agency is not justified and inappropriate has the right to request either an administrative review of the action taken or to file for an evidentiary hearing. In order for the Manager's grievance to be accepted, it must be received in the office of the Agency within thirty (30) days from the date the action was taken. Failure to file the grievance within the appropriate time will result in the grievance being denied and the facts of the case not reviewed.

24.2 Administrative Review

If the Manager desires, (s)he may request that the Director of Services for the Blind and Visually Impaired investigate the matter complained of and make a decision as to whether or not the action taken against the Manager was legitimate. This is an informal review and is recommended in many cases in an effort to avoid the lengthy and sometimes costly fair hearing process.

Upon receipt of a request for an administrative review, the Director of Services for the Blind and Visually Impaired shall designate a representative from the TBE management staff who shall have fifteen (15) days to file a written response, outlining the reason or reasons for any action objected to by the Manager. In filing his/her response, the management staff designee shall forward a copy to the Manager and to the Manager's representative, if designated.

Upon receipt of this response, the Manager or his/her representative shall have ten (10) working days in which to file any objections or make reply, after which, the Director of Services for the Blind and Visually Impaired shall evaluate the materials submitted and issue a written decision within fifteen (15) working days.

24.3 Evidentiary Fair Hearing

If a Manager is not satisfied with the results of the Administrative Review, the Manager may file with the Agency a request for a full evidentiary fair hearing within thirty (30) days from the date he/she receives the decision from the Director of Services for the Blind and Visually Impaired. If the Manager wishes to forego the Administrative Review altogether, (s)he may file a request for a full evidentiary fair hearing but is limited to the thirty (30) day period from the date the action was taken by the Agency. In either event, the Department will assign a hearing officer and a hearing will be held. The Manager will be allowed to be represented by an attorney if (s)he so chooses. The Manager and the Agency will have the right

to subpoena witnesses and documents. After hearing the case, the hearing officer will issue an Initial Order setting forth any action necessary to resolve the dispute. Either party may petition for reconsideration or appeal the decision to the Commissioner of the Department of Human Services provided it is done within ten working days. The Commissioner will issue a Final Order and either party can petition for reconsideration of this Order.

24.4 Arbitration

If, after an evidentiary hearing, the Manager does not feel that (s)he has yet received proper treatment, (s)he may petition the United States Department of Education and request the convening of an arbitration panel. A request for arbitration must be submitted within a reasonable time from the date of any final order entered in an evidentiary hearing. If the arbitration panel is convened, the Manager will select his representative, the Agency will select its representative on the panel and those two representatives shall select the chairperson of the panel from a list of arbiters submitted by the Department of Education. The proceedings shall be conducted in accordance with rules promulgated by the U.S. Department of Education.

25.0 *COMMITTEE OF BLIND VENDORS*

25.1 Purpose

The Committee of Blind Vendors shall actively participate with the Agency in major administrative decisions and

policy development decisions affecting the overall administration of the TBE facility program.

25.2 Composition

The Committee of Blind Vendors is a group of licensed Managers (permanently or temporarily assigned) which is elected once every odd numbered year. It consists of eleven (11) representatives elected regionally. TBE has six (6) regions and the number of representatives is determined in part by the number of licensed Managers in that region. Currently, the composition is as follows:

Johnson City 1 representative

Knoxville 2 representatives

Chattanooga 2 representatives

Nashville 3 representatives

Jackson 1 representative

Memphis 2 representatives

25.3 Function

The Committee of Blind Vendors shall participate with the Agency in each of the areas listed below.

A. Grievances - The Committee will receive and transmit to the Agency grievances at the request of Managers and act as advocates for such TBE Managers.

B. Rule Development - The Committee will participate with the Agency in the development of rules and regulations and policies and procedures. The Agency will send to the standing subcommittee on rules and regulations any proposed changes at least twenty-one (21) days prior to any scheduled negotiating session or meeting. The subcommittee will then meet with representatives of the Agency to negotiate and attempt to achieve agreement on any proposed changes. The subcommittee will then report to the full Committee and each Committee member will be given an opportunity to provide additional input. The Agency will give full consideration to this input before implementing the rules and/or policies. If the Agency does not adopt the position of the Committee, it will notify the Committee in writing and explain the reasons behind the decision. The Committee of Blind Vendors also has the right to offer rules and/or policies which it deems are in the best interest of the program. The Agency is obligated to give full consideration to such recommendations.

C. Budget - The Committee of Blind Vendors will actively participate with the Agency in developing and recommending an annual budget for TBE. The Agency will provide prior year expenditures and a proposed budget at the July meeting of the Committee. The Agency shall give full consideration to any formal recommendations made by the Committee.

D. Promotions - The Committee of Blind Vendors plays a critical role in the promotion system. One area representative of the Committee will be permitted to serve

on each interview panel which will consider TBE Managers for promotion into a given vending facility as described in more detail in Section 15.1 of this Operations Manual. In addition, the Secretary of the Committee will be responsible for verifying seniority and certifications possessed by Managers seeking a promotion into a given TBE facility.

E. Negotiating Permits - Upon his/her request, the area representative of the Committee of Blind Vendors will be allowed to participate with Agency

representatives in negotiating permits for new vending facilities.

F. Facility Classifications - The area representative(s) of the Committee of Blind Vendors will participate with the Agency in assigning all new vending facilities to one of five categories as defined in Section 12.2 of this Operations Manual. In the event it becomes necessary to change the classification of an existing vending facility, the area representative(s) will also be allowed to participate in this decision.

G. TBE Manager Benefits - The Committee of Blind Vendors shall review and study health insurance and retirement plans and make recommendations to the Agency with respect to the plans which are most appropriate for all of the Managers.

H. Training - The Committee of Blind Vendors' will participate in the training program to the extent that it

annually reviews training materials and makes recommendations for the enhancement of the education process.

I. Statewide Managers' Meeting - It is the responsibility of the Committee of Blind Vendors' Awards Subcommittee, together with the Agency, to plan and promote statewide Managers' meetings for the purpose of providing Managers with updated information. TBE's annual awards program will be incorporated as part of the Statewide Managers' Meeting and the Committee shall work jointly with the Agency in developing guidelines for the awards.

J. Staff Vacancies - In the event that vacancies occur in the TBE management positions, the Personnel Subcommittee of the Committee of Blind Vendors will be given an opportunity to interview the candidates for any such position.

Candidates to be interviewed will be determined in accordance with Civil Service rules and regulations. After interviewing the candidates, the subcommittee may recommend a candidate to fill the vacancy. This recommendation will be given full consideration by the Agency but it is expressly understood that the Agency is not bound to accept such recommendation and maintains final authority in selecting candidates to fill any such vacancies.

25.4 Final Authority

It is understood that the Agency bears final authority and responsibility for the administration and operation of Tennessee Business Enterprises, including the assurance of continuing, active participation with the Committee.

25.5 Meetings

The Committee of Blind Vendors will meet on the fourth Saturday of the first month of each quarter. The Agency will pay expenses of Committee members in accordance with guidelines as specified in Section 6.7 of this Operations Manual. Committee members are eligible for reimbursement when attending the regular quarterly meeting or any other meetings which have been approved by the Director of Services for the Blind and Visually Impaired.

25.6 Other Committee Expenses

A. The State Office telephone system may be utilized by the Committee to conduct official business. The system can be accessed by calling the Secretary in Central Office. This will include being allowed to make conference calls.

B. Any mailings which need to be made to members of the Committee and/or all Managers across the state will be processed and postage paid by the Central Office. No mailings will be initiated until the material has been reviewed for accuracy and jointly approved by the Agency.

C. The Agency will provide necessary clerical support for the Committee to fulfill its obligations. Extraordinary requests which require extensive time or time away from

the office must be approved by the Director of Services for the Blind and Visually Impaired.

APPENDIX A

MANAGERS MONTHLY FINANCIAL REPORT

ACCOUNTABILITY

At the end of each calendar month, the Manager will complete "The Manager's Monthly Financial Report" (Form Be-5b) which will detail financial transactions for that month. It will also be the responsibility of the Manager to calculate his/her set aside assessment. The set aside fee and the monthly report shall be mailed to Fiscal Services and postmarked no later than the 8th day of the month following the month in which the transactions took place. If the 8th day of the month falls on a Saturday, Sunday, or holiday, the report and fee must be postmarked no later than the next business day. Managers who fail to meet this deadline for either their reports or fees will be assessed a \$25.00 penalty.

Provided that resources are available, TBE managers may be allowed to file their reports and pay their fees on TBE's website. They can access the site by going to www.tnvend.org and clicking on the "Manager's Only" icon. The system will require a Personal Identification Number (PIN) which must be obtained from Fiscal Services. Managers who file on-line will still be required to file by the eighth day of the month and will be subjected to

penalties the same as a manager who files a written report. A manager who files on-line will also have to authorize the Agency to draft the set aside fees from his/her bank account. These authorization forms can be obtained from the TBE consultant. Managers who file on line will automatically receive a 5% discount on the amount of the fee to be assessed. Once the Manager has completed filing on-line, the system will give a confirmation number which the Manager must keep as proof of filing in the event there is a problem.

Distribution

Filing a Written Report

The Manager shall submit one copy of the report with fees to Fiscal Services at the following address:

Tennessee Business Enterprises
PO Box 198271
Nashville, TN 37219

A copy of the report should also be submitted to the Manager's Consultant. Failure to provide a copy to the TBE Consultant shall be considered a violation of TBE policy and may result in disciplinary action. It is not the responsibility of Fiscal Services to forward a copy of your report to the Consultant.

A copy must also be maintained by the Manager in his/her files.

Filing On-Line

If the Manager files on-line, no report needs to be submitted to Fiscal Services or to the TBE Consultant: however, a copy of the report should be kept by the Manager in his/her file.

III. PREPARATION AND SUBMITTAL OF BE-5B

Part 1

The form is to be completed in accordance with the following instructions:

Facility Number: Enter the 3-digit number denoting the facility for which the report is being submitted.

Social Security Number: This is the Social Security Number of the manager assigned to the facility.

Month/Year: Enter the month and year for which the report is being submitted.

Manager: Name of the manager assigned to the facility.

Over the Counter Sales: Net sales are reported here for all sales except those sold through an automated vending machine. This would include sales of prepackaged items, food prep items, catering, cafeteria sales, commissary items, etc. **Net sales are calculated by deducting sales taxes from the gross sales figure.**

Vending Sales: Use this space to report all sales from vending machines except for those on full service for which the manager receives a commission. **Net sales are**

calculated by deducting sales taxes from the gross sales figure.

Total Sales: Add "A" and "B" to arrive at Total Sales.

Merchandise Purchased: The amount entered in this space is the amount spent for merchandise excluding non-ingredient supplies such as paper products.

Gross Profit On Sales: Deduct "D" from "C" to determine gross profit.

Net Employee Wages: The amount reported in this space represents the actual amount paid in wages to employees of the facility.

Payroll Taxes: The figure in this space represents the F.I.C.A. and income tax withholdings deducted from the employees' gross salaries as well as the employer's portion of the F.I.C.A. and any other benefits such as unemployment insurance, workers compensation, retirement, or health insurance.

Other Business Expenses: This space is used for all other business expenses which are appropriately documented such as:

1. Personal and products liability insurance
2. Lease payments on equipment or space

Bookkeeping services

Janitorial services

Pest control

Telephone - Base rate for regular business phone and cellular phone; line for fax machine (provided the machine is required in the business and is located on the premises with the facility); and pagers.

Vehicle expenses as outlined in Section 10.3 of this Operations Manual.

Repair and maintenance deductible if applicable.

Any other business expenses directly related to the operation of the facility provided such expenses have been approved by the Agency. Approval will be granted if such expenses are necessary for the efficient operation of the facility and not subject to abuse.

Set Aside fees are not allowable deductions under any circumstances.

Note that this section should not be used to report any labor expenses. It is understood that contract labor, except as provided above, is not permissible since in most cases an "employer/employee" relationship exists and the manager is required to make proper withholdings. Such expenses would be reported in "F" and "G" above.

These expenses must be itemized on the Employee and Miscellaneous Expenses Worksheet.

I. Total Expenses:

Add "F", "G", and "H" together

J. Net profit From Facility:

Deduct "I" from "E"

K. Commissions:

This space is used to report any payments received from companies providing full service vending and/or any other remittances such as bonuses or rebates.

Total Net Profit:

Add "J" and "K" together.

Fee Calculation: Multiply "L" by 14%

Fixed Assessment: \$10.00

Debit or Credit: Indicate any debit or credit as noted on the previous month's BE-5c

Administrative Fee Due: Add "M" and "N" and then add or subtract any debit or credit noted in "O."

Part 2

Part 2 of the Be-5b is a worksheet that must accompany Part 1 when it is submitted. Employee Information and Miscellaneous Expenses must be itemized on this worksheet. The Manager must also provide sales figures for any catering done during the month.

Employee Information

The manager must provide the information listed below if (s)he is deducting the individuals' salaries as an expense to the facility.

Name: Name of each employee

Blind, Sighted, or Disabled: Denote with a "B", "S", or "D" as to whether the employee is blind, sighted, or disabled.

Gross Salary: This is the gross amount paid to the employee

WH and FICA:

Indicate the amount of withholdings

Net Salary: This is the amount actually paid to the employee

Employer Taxes: This space is used to report the employer's portion of F.I.C.A. and any other employee benefits such as unemployment insurance, workers compensation, etc.

The total of Column "C" which is Net salaries is entered in Net Employee Wages which is Part 1(F).

Columns "B" and "D" are added together and this figure is put in Part 1(G) Payroll Taxes.

If the Manager shows employee expenses on Part 1 that are not supported by the worksheet, the deductions will be disallowed and the set-aside assessment will automatically be recalculated.

CATERING SALES

This space should be used to report any sales from catering during the month. The figure should be included as part of Over-the-counter sales on Part 1.

Miscellaneous Expenses

Managers must itemize all miscellaneous expenses and enter the total on Part 1, Line "H". If a Manager reports a figure Part 1, Line "H" without itemizing the expenses on the worksheet, the deduction will be disallowed and the set-aside assessment will be automatically recalculated.

IV CORRECTED REPORTS

On or about the 25th of each month, Fiscal Services will send to the manager a summary of the previous month's financial transactions. This summary (BE-5c) will include year-to-date totals and comparisons to previous year's figures. When Fiscal Services staff input onto the computer system the figures reported by the manager, the system will automatically recalculate all mathematical computations. If this results in a change in the amount of set aside fee owed by the manager, the difference will be shown on the BE-5c as a debit or credit. When the manager files his/her next month's report, the debit or credit should be reflected on that report and the payment of set aside assessment made in accordance with the revisions. If this recalculation results in the manager owing more than \$10 in additional set aside fees, Fiscal Services

will treat it as any other delinquency and assess a penalty as appropriate. If the manager fails to submit a report, Fiscal Services will send a BE-5c with all zeroes.

APPENDIX B

INVENTORY CONTROL PROCEDURES

ASSIGNMENT OF INITIAL INVENTORY LEVEL

The determination of the initial inventory level for a vending facility shall be made by the Business Enterprises Consultant and approved by the Business Enterprises Supervisor and Fiscal Services. Generally this amount is equivalent to 1 and 1/2 times the weekly sales projected for counter, vending and combination facilities. Generally, this amount is equivalent to 2 and 1/2 times the weekly sales projected for on-site food prep facilities and cafeterias. Normally this amount is sufficient to allow the operation to function adequately, allowing sales to generate income for the manager to add to the initial inventory level. Depending upon unique circumstances at a facility, this amount may need to be increased.

II. DOCUMENTATION

A. Plan of Service

At the time the Business Enterprises Consultant determines the initial level (s)he will prepare a Plan of

Service (BE-3) which must be approved by the Business Enterprises Supervisor and Fiscal Services.

B. Documents

The initial inventory amount assigned to a vending facility is documented in three ways. The Merchandise Inventory Record (BE-12) is a form that lists all merchandise in a facility at the time the merchandise inventory is conducted. It is signed by the Consultant and Manager (incoming and outgoing Managers both sign if the facility is being reassigned). A copy is provided to the Manager and one copy is retained in the regional office.

Additionally, the inventory amount is documented on the Acknowledgement of Initial Inventory and the Instrument of Facility Assignment (IOFA). These documents are signed by the Consultant and Manager with a copy being provided to the manager.

C. Increase of Initial Level of Inventory

If a manager accepts an assignment into a facility that has an inventory level above that originally provided by the Agency, the Agency will be responsible for the overage. In such cases, the Agency will purchase from the outgoing manager the usable merchandise above the initial level. The amount of the initial level of inventory will be adjusted to reflect the increase for the incoming manager.

When purchasing merchandise from an outgoing manager, perishable goods must have a remaining shelf life of at least five (5) working days. If the merchandise

does not meet this criteria, it will be the responsibility of the outgoing manager. In addition, the Agency may reject any products that have been added to the inventory by the outgoing manager if it is felt that these products have little resale value.

If a TBE facility closes and there is substantial inventory on hand, the Consultant will first determine if any facilities under his/her supervision need the merchandise. If another manager agrees to accept such inventory, the merchandise can be transferred to that facility and the initial level assigned to that facility will be increased accordingly. The Merchandise Inventory Record and Acknowledgement of Initial Inventory will be prepared and signed. The IOFA will be amended to reflect the new inventory amount.

D. Decreasing Initial Inventory

1. Lost or Spoiled Merchandise

In the event a Manager loses merchandise as the result of spoilage due to equipment failures, the Manager will be responsible for the first \$100 in lost merchandise. When the Manager buys product to replace the lost merchandise, this would be reported under Merchandise Purchased on the BE-5b. If the loss is greater than \$100, the Manager must report the loss to his/her Consultant who will verify the loss. The Consultant will reduce the Managers' initial inventory level by the amount equal to the loss minus the first \$100 by amending the IOFA and completing a new Acknowledgement of Initial Inventory.

2. Buying Down Inventory

A Manager, at his/her option, may purchase part or all of the initial inventory level. This will occur most often when the nature of the facility operation changes which necessitates less inventory. In such situations, the Manager will be allowed to "buy down" the initial inventory level. If the Manager chooses this option, a certified check should be presented to the Business Enterprises Consultant who will initiate and execute an amendment to the IOFA showing the revised inventory level. The Consultant will also complete a new Acknowledgement of Initial Inventory form. If the Manager chooses (s)he will also have the option of signing a promissory note to buy down the initial level. It is understood that the Manager who chooses to purchase all or part of his/her inventory level will still be required to maintain an adequate inventory level to meet the demands of the customers.

MERCHANDISE INVENTORIES

A. Manager's Responsibility

It is the responsibility of the Manager to maintain the level of inventory equal to the initial level as indicated in the IOFA. The Business Enterprises Consultant may, with prior day's notice, conduct a physical count of the merchandise to validate the level. It is understood that from time to time a Manager may have down time if (s)he is in a facility whose business is seasonal (colleges, Welcome Centers, etc.) In such cases, the Manager may need to maintain less inventory than required by his/her

IOFA and the Business Enterprises Consultant will make no attempt to validate his/her inventory level during these periods of temporary interruption of normal business operations.

B. Manager's Annual Inventory

At the beginning of each calendar year, the Manager shall conduct an annual merchandise inventory of the facility, and the record of this inventory (Form BE-12) will be completed and filed with the Agency no later than February 15th. Upon request of the Manager, the Consultant will assist in jointly conducting this inventory at a time mutually agreeable to both the Consultant and Manager.

C. Automated Inventory Control System

As technology and budgetary considerations allow, the Agency may choose to utilize an automated inventory control system at certain vending machine locations. These automated systems provide remote access to the machines and allow the Manager to determine inventory needs for a specific machine. The system also allows the Manager and Agency to monitor the sales for these machines.

IV. CLOSING INVENTORY

A. General Provisions

In conducting merchandise inventories, the Consultant will calculate values based upon current wholesale costs.

Approximately three days before conducting an inventory, the Consultant will provide to the Manager a listing of products with wholesale values on file with the Agency for the facility or one that is similar. It will be the responsibility of the Manager to review the wholesale figures prior to the inventory being conducted. If the Manager disagrees with any wholesale price, it will be his/her responsibility to have the invoice available for inspection at the time of the inventory. If adequate documentation is provided, the Consultant will adjust the figures to reflect the new amount. If the Manager is unable to produce invoices on the day of the inventory, the Consultant will use the prices on file. Likewise, if there are products in a facility that are not on the list provided by the Consultant, it will be the responsibility of the Manager to produce invoices on the date of the inventory to substantiate the wholesale costs. If such invoices cannot be produced, the Manager will not be given credit for those products and it will be his/her responsibility to dispose of the merchandise.

It is the responsibility of both the outgoing and incoming Manager to be present for the entire time when a merchandise inventory is being conducted. This will ensure that both Managers have an opportunity to verify the inventory count, freshness, and salability of all products. It will then be the responsibility of the Business Enterprises Consultant to complete and submit to the Business Enterprises Supervisor all documentation associated with the inventory within five (5) working days.

B. Manager Leaving a Facility

At the time there is a change of Managers at a facility, it will be the responsibility of the Consultant to conduct the merchandise inventory and prepare the necessary documentation. The inventory will be conducted in accordance with the general procedures outlined above.

If the outgoing Manager has more merchandise than assigned by the Agency to that facility, the amount of the overage will be shown on the Acknowledgement of Initial Inventory. The Agency will buy the amount of usable merchandise from the outgoing Manager provided it meets the criteria in Section II C of this appendix. This amount will be added to the initial level of inventory for the incoming Manager.

If the outgoing Manager has an inventory shortage, (s)he will discharge the obligation immediately by personal check, certified check, or money order made payable to Tennessee Business Enterprises. If circumstances prevent the Manager from paying for the shortage, (s)he will be immediately placed on thirty (30) days probation and (s)he must liquidate this indebtedness within that thirty (30) day period or his/her license to operate a TBE facility will be terminated. Under such circumstances, the Manager will be allowed to assume his/her new assignment pending the outcome of the probation and possible termination.

If the outgoing Manager is not being reassigned to another facility and there is an inventory shortage, (s)he will be allowed to sign a promissory note in accordance with the schedule below:

AMOUNT DUE TIME ALLOWABLE

\$ 0 - \$ 299	Three Months
\$ 300 - \$ 499	Four Months
\$ 500 - \$ 799	Seven Months
\$ 800 - \$ 999	Ten Months
\$1,000 - \$1,399	Twelve Months
\$1,400 - \$1,699	Fourteen Months
\$1,700 - \$2,000	Sixteen Months
\$2,000 – Over	Eighteen Months

Promissory note payments are due on the 8th day of the month. Late payments will be treated as any other delinquencies and penalties will be assessed. Failure to make note payments will result in the full amount being due immediately.

It is understood that under no circumstances will a Manager be allowed to sign a promissory note for delinquent set aside fees while (s)he is permanently or temporarily assigned to a TBE facility.

If a Manager leaves with an inventory shortage and fails to pay the amount in accordance with the above, the Agency may turn the matter over to a collection agency. If applicable, the Manager will be responsible for all costs associated with these collections. The same will apply if there are past due administrative fees or other balances owed by the Manager.

C. Facilities that Utilize Debit Cards

Vending facilities that utilize the Debittek card reader system require special consideration when conducting closing inventories. Since customers put money on a debit card via a cash-to-card machine, the Manager receives the money before dispensing any product. This results in there always being a "float" which is the difference in the amount taken in through the cash-to-card machine versus the amount of product dispensed through the vending machine. Consequently, when a Manager leaves a facility (s)he has received money for product that the incoming Manager will have to provide to the customer.

It is the responsibility of each Manager who operates a facility using debit cards to track the amount of this "float." This can be done by utilizing the capabilities of the software that accompanies the Debittek equipment. When the BE Consultant does the semi-annual review,

documentation will be reviewed to verify the amount of the "float." The Debittek software will generate a report that provides this information and the Manager is expected to make this report available to the Consultant.

In order to protect the incoming Manager from the liability of providing merchandise for which (s)he has not been paid, the outgoing Manager will be required to pay the incoming Manager for products purchased using the outgoing Manager's site code for a period of six (6) months. Codes on all equipment will be changed so that sales can be tracked according to the code assigned to each Manager. Any cards in the cash-to-card machine that contain the outgoing Manager's site code will be removed. The incoming Manager will be assigned a new site code and all cards placed in the cash-to-card machine will reflect the new code. To protect the outgoing Manager from potential fraud, the incoming Manager, for the first six (6) months, will be required to purchase debit cards that are already coded properly. The outgoing Manager will be required to give the incoming Manager in cash, certified check, or money order an amount equal to 20% of the known "float" on the day of the inventory. Each month thereafter, the new Manager will submit to the outgoing Manager through his/her BE Consultant, documentation showing the amount of sales generated against the former Manager's site code. At such point as the total amount of sales charged to the former Manager's site code exceed the 20% given to the incoming Manager at the time of the closing inventory, the former Manager will be responsible for reimbursing the new Manager that amount. The former

Manager will have ten (10) days from the date (s)he receives documentation of the amount owed to pay this amount. If an outgoing Manager fails to make such payments, it will be the responsibility of the Agency to compensate the new Manager and the former Manager will then have to make remittance to the Agency. The former Manager will be considered delinquent and will be immediately placed on thirty (30) days probation and will be subject to having his/her license terminated.

In the event, data is not available (i.e. computer failure, etc.) to determine the amount of the "float," the Consultant will use the data that was available at the last semi-annual review and any other information that might be available to arrive at a fair estimate.

After six (6) months, the former Manager will no longer have any financial obligations to the new Manager and any remaining "float" will be considered as income to the former Manager. (S)he will be required to remit to the Agency 14% of the remaining "float" which is the set aside assessment that is due. An outgoing Manager who has chosen to report facility sales based upon his/her cash-to-card machine rather than actual sales through the vending machines will not be obligated for any additional set aside fees since such fees have already been paid. The outgoing Manager would still be responsible for reimbursing the incoming Manager for sales against his/her site code pursuant to the above provisions.

D. Closing of Facility

If circumstances require that the Agency close a facility, it shall be the responsibility of the Agency to assume control of inventory up to the amount of the initial level provided that all products meet the criteria in Section II C of this appendix. If the Manager has merchandise which exceeds the level of the initial inventory, it shall be his/her responsibility. The merchandise assumed by the Consultant shall be immediately distributed to other facilities or surplussed and due care must be taken by the Consultant to insure against loss until merchandise can be distributed.

E. Death of a Manager

In the event of the death of a Manager, the Consultant will follow the same procedures in conducting the closing inventory except that it will not be initiated prior to internment, but will be completed within three (3) working days of the internment. The inventory shall be a joint effort on the part of the Consultant, the Manager's heirs, personal representative or assignees.

APPENDIX C

INSTRUMENT OF FACILITY ASSIGNMENT

TENNESSEE BUSINESS ENTERPRISES PROGRAM

INSTRUMENT OF FACILITY ASSIGNMENT

FACILITY #	
-----------------------	--

PERMANENT { } TEMPORARY { }

CITY:		,TENNESSEE		DATE:	
--------------	--	-------------------	--	--------------	--

I. GENERAL

The intent of this instrument, between the Department of Human Services (SLA), hereinafter referred to as the Agency, and the Licensee, hereinafter referred to as the Manager, is to outline the obligations, duties and responsibilities of each party. This is to insure that each is aware of all the requirements so that the assigned facility is operated in compliance with all laws, regulations and program policies which have been established under 20 U.S.C. 107 Et. Seq. And T.C.A. 71-4-501 Et. Seq. for the administration of the Randolph-Sheppard Program in Tennessee.

The Agency has entered into an agreement known as an Occupancy Permit for the operation of Facility # , which provides information regarding the nature of the facility, the space designated, days and hours required to be open for business as well as other conditions. A copy of this

Occupancy Permit is attached to and made a part of this document as Exhibit A.

II. AGENCY'S RESPONSIBILITIES

A. All necessary equipment, including vending machines, fixtures and any other items deemed appropriate, for the successful operation of the facility will be provided by the Agency for the use and benefit of the Manager. A copy of the equipment inventory record is attached to and made a part of this document as Exhibit B. All facility equipment will be maintained in good repair pursuant to procedures set forth in the Operations Manual. If maintenance and repair of certain equipment are not cost effective, the item or items will be replaced.

B. All merchandise necessary to begin or to continue operation of the facility is provided by the Agency. A copy of the merchandise inventory record is attached to and made a part of this document as Exhibit C.

The TBE Consultant having responsibility for Facility # shall be available to assist in resolving problems and assuring that otherwise all appropriate and necessary services are provided for the efficient and effective operation of the facility.

III. MANAGER'S RESPONSIBILITIES

A. The facility will be open for business on those days and during those hours as specified in the Occupancy Permit. The Manager or his/her employee shall be on the

premises during the specified time unless otherwise directed in writing by the Agency.

B. The facility will be operated in compliance with all health requirements in addition to the Agency's Rules and Regulations as well as the provisions of the Operations Manual.

C. The facility will be operated in a competitive manner regarding variety and sufficiency of merchandise, displays, pricing structure, cleanliness of the facility, appropriate dress and appearance of the Manager and any employee.

D. Adequate records will be maintained and always available for review regarding:

A. Merchandise Purchased

B. Supply and Miscellaneous Expenses

C. Personnel Records and Payroll Expenses

D. Sales

E. The net proceeds of the facility will be appropriately calculated, including all commissions, rebates and bonuses. Set-aside assessments shall be paid when due and determined in accordance with the schedule in effect.

F. All reports required by the State will be promptly filed and any associated financial obligations shall be paid. Any other financial indebtedness incurred, directly or indirectly, as a result of the operation of the facility shall be immediately liquidated unless satisfactory arrangements

have been made with the creditor or creditors to do otherwise.

G. The amount of merchandise inventory assigned to the Manager for

this TBE facility is \$ _____ and is the responsibility of the Manager to maintain this amount of merchandise in the facility at all times. Additionally, the Manager must assure that there is stock of adequate variety and amount to meet the customary demands of the facility.

IV. MUTUAL UNDERSTANDINGS

A. It is agreed and mutually understood that this instrument is not in the nature of a contract but rather serves as a basis for the general principles upon which the facility is to be operated.

B. It is further agreed and mutually understood that the failure of the Agency to discharge its responsibilities may result in the Manager's bringing action through the grievance process to correct a violation. Similarly, the failure of the Manager to discharge his/her responsibilities may result in the Agency's initiating disciplinary action against the Manager or even subjecting him/her to immediate removal from the facility under extreme circumstances.

C. By signing this document, each party acknowledges and recognizes the significance of the obligations which

are imposed as well as the consequences for failure to discharge one or more of them.

In witness whereof, we have signed this instrument on the date reflected on the first page hereof.

TBE Consultant Date

Manager Date

APPENDIX D

TENNESSEE BUSINESS ENTERPRISES

FORMS

- 1. BE-5b – Facility Monthly Financial Report**
- 2. Customer Satisfaction Survey – Commissary**
- 3. Customer Satisfaction Survey – Food Prep**
- 4. Customer Satisfaction Survey – Vending**
- 5. Facility Bid Announcement**
- 6. Promotion Record of Performance**
- 7. Facility Inspection Report**
- 8. Facility Site Visit Form**
- 9. Plan of Action**
- 10. Consultant Satisfaction Survey**
- 11. Ethics Statement**

TENNESSEE BUSINESS ENTERPRISES

FACILITY MONTHLY FINANCIAL REPORT

FACILITY NO.		SOCIAL SECURITY NO.	
---------------------	--	--------------------------------	--

MONTH/YEAR		MANAGER	
Over the Counter Sales (A)	\$		
Vending Sales (B)	\$		
Total Sales (C) (A + B)			\$
4 Merchandise Purchased (D)	\$		
Gross Profit on Sales (E) (C–D).....			\$
Net Employee Wages (F)	\$		
Payroll Taxes (G)	\$		
Other Business Expenses (H)	\$		
Total Expenses (I) (F+G+H)			\$
Net Profit from Facility (J) (E–I)			\$
Other Commissions (K)	\$		

Total Net Profit (L) (J+K)		\$
Fee Calculation (M) (L × 14%)	\$	
Fixed Assessment (N)	\$ 10.00	
(+) Debit or (-) Credit (O)	\$	
Admin. Fee Due (P) (M+N+/-O)		\$

-

-

-

EMPLOYEE AND EXPENSE WORKSHEET

$$A - B = C D$$

Name – Indicate Blind or Sighted B/S	Gross Salary	Employees WH & FICA	Net Salary	Employ Taxes
--	-----------------	------------------------	---------------	-----------------

	()					
	()					
	()					
	()					
	()					
TOTAL						

Enter Total Net Salaries in Net Employee Wages (F) on BE5b

Add Total Employee Taxes (B) and Total Employer Taxes (D)

(B)		+	(D)	=	
-----	--	---	-----	---	--

Enter this amount in Payroll Taxes (G) on BE5b

Catering Sales \$		(This amount is included in Counter Sales)
----------------------	--	--

OTHER BUSINESS EXPENSES

<u>Miscellaneous Expense</u>	TAB RIGHT	TAB RIGHT	<u>Amount</u>
	Tab right	\$	
	Tab right	\$	
	Tab right	\$	

	Tab right	\$	
	Tab right	\$	
	Tab right	\$	
Non-Ingredient Supplies	Tab right	\$	
TOTAL EXPENSES	Tab right	\$	
Enter this amount in Other Business Expenses (H)			

TENNESSEE BUSINESS ENTERPRISES

CUSTOMER SATISFACTION SURVEY – INMATE COMMISSARY

Facility Location _____

Manager's Name _____ Date _____

Poor Good Excellent

1. Orders delivered are generally _____

correct in that the inmate received

what he/she ordered

2. Orders generally do not include _____

substitute products

3. All merchandise delivered is _____

within date according to the "sell

by" date stamp on the wrapper

4. Service was courteous and professional _____

5. Accurate printed receipts are provided _____

with all orders

Additional comments _____

TENNESSEE BUSINESS ENTERPRISES

CUSTOMER SATISFACTION SURVEY – FOOD PREP

Facility Location _____

Manager's Name _____ Date _____

Poor Good Excellent

1. Overall cleanliness of facility _____

2. Food is served at proper temperatures _____

(hot food hot, cold food cold)

3. Variety of products/menu items is _____

adequate

4. Service was courteous and professional _____

5. Services was prompt and efficient _____

6. Products are fresh and of good quality _____

7. Merchandise is attractively displayed _____

8. Refunds are handled efficiently _____

9. Personnel are well groomed and clean _____

10. Overall rating _____

Additional comments _____

TENNESSEE BUSINESS ENTERPRISES

CUSTOMER SATISFACTION SURVEY – VENDING

Facility Location _____

Manager's Name _____ Date _____

Poor Good Excellent

1. Machines and vending area are neat _____

and clean in appearance.

2. Machines well stocked and _____

merchandise attractively displayed.

3. Products are fresh and of good quality. _____

4. Machines accept and return _____

money properly.

5. Refunds and exchanges handled _____

efficiently.

6. Complaints are handled promptly _____

and professionally.

7. Personnel servicing machines provide ____ ____ ____

quality customer service and are

courteous and professional.

8. Personnel are well-groomed and clean ____ ____ ____

in appearance.

9. Overall cleanliness of facility. ____ ____ ____

10. Overall rating ____ ____ ____

Additional comments _____

TENNESSEE BUSINESS ENTERPRISES

ANNOUNCEMENT

-

This is to announce that Vending Facility No. ____ is available for assignment. Licensed Vendors interested in being considered for this location may make application on the form provided below. The application must be mailed to:

Tennessee Business Enterprises
400 Deaderick Street, 11th Floor
Nashville, Tennessee 37248-6200

Applications must be postmarked no later than
_____.

CHARACTERISTICS OF FACILITY

Location and Address:

Category of Facility: _____

Approximate Number of Customers: _____

Projected Sales by Category:

a. Counter _____

b. Vending _____

Catering _____

Total Sales: _____

Commission: _____

Operating Hours:

**Number of Employees: __ Public Transportation
Available: ____**

**Consultant's Name & Phone
Number _____**

Date to Visit Facility _____

APPLICATION

-

I hereby make application for consideration as Manager of Vending Facility No. _____. I authorize the Tennessee Department of Revenue to release to the Department of Human Services any and all information relative to my record of paying taxes at any Facility to which I have been assigned and further I authorize the Department of Human Services to release all information regarding all aspects of my record of performance during the preceding 12 months to the members of the interview panel.

NAME: _____

TELEPHONE NO: _____

ADDRESS:

DATE: _____ SIGNATURE:

TENNESSEE BUSINESS ENTERPRISES

Promotion Record of Performance

-

NAME Seniority Date Months Service

Certifications Classification

Possessed Present Facility

Manager's Previous Facilities

**# Delinquent Reports # Delinquent Fees Current
Financial**

Prior 12 Months Prior 12 months Obligations

\$ _____

Registered Complaints # Times Placed on Probation
Prior 12 Months Prior 12 Months

**Manager's Performance Compared to Standard for
Prior 12 Months**

Manager Standard

Facility Inspection Score _____

Customer Satisfaction Rating _____

Gross Profit Percentage _____

Net Profit Percentage _____

NOTES:



FOOD SERVICE FACILITY INSPECTION REPORT

for

TENNESSEE BUSINESS ENTERPRISES

Score _____

Manager: _____ Location: _____

Facility no. _____ Date of Inspection: _____ Time: _____

Purpose: ☐ Routine ☐ Complaint Type: (A) ☐ Food Prep/Vending (A) ☐ Comb. Counter/Vending
☐ Follow-Up ☐ Consultation (B) ☐ All Food Prep (B) ☐ Cafeteria
☐ Other _____ (C) ☐ All Vending

* Identifies Critical Items

FOOD	A	B	C
*01 Source, sound condition, no spoilage	4	5	0
*02 Original Container, properly labeled	1	2	0

FOOD PROTECTION	A	B	C
*03 Potentially hazardous food meets temperature requirements during storage, preparation, display, service, transportation	5	5	5
*04 Facilities to maintain product temperature	4	4	4
*05 Thermometers provided and conspicuous	1	1	1
*06 Potentially hazardous foods properly thawed	1	1	0
*07 Unwrapped and potentially hazardous food not re-served	4	4	0
food protection during storage, preparation, display, service, transportation	2	4	2
*08 Handling of food (ice) minimized	1	1	0
*10 In use, food (ice) dispensing utensils properly stored	1	1	0

PERSONNEL	A	B	C
*11 Personnel with infections restricted	5	5	5
*12 Hand washed and clean, good hygienic practices	5	5	5
*13 Clean clothes, hair restraints, dressed appropriately	3	5	5

FOOD EQUIPMENT AND UTENSILS	A	B	C
*14 Food (ice) contact surfaces clean	2	3	0
*15 Non-food contact surfaces clean	1	1	0
*16 Dishwashing facilities operating properly	2	3	0
*17 Accurate thermometers, chemical test kits available, gauge clock (1/4" IPS valve)	1	1	0
*18 Pre-flushed, scraped and scoured	1	1	0
*19 Wash, rinse water: clean, proper temperature	2	2	0
*20 Sanitation rinse: clean, temperature, concentration, exposure time, equipment, utensils sanitized	4	5	0
*21 Wiping cloths: clean, use restricted	1	1	0
*22 Food contact surfaces of equipment and utensils clean, free of abrasives, detergents	2	3	0
*23 Non-food contact surfaces of equipment and utensils clean	1	1	0
*24 Storage, handling of clean equipment/utensils	1	1	0
*25 Single-service articles, storage/dispensing, no re-use	2	3	0

OTHER OPERATIONS	A	B	C
*30 Toxic items properly stored, labeled, used	5	5	5
*31 Premises maintained free of litter, unnecessary articles, cleaning maintenance equipment properly stored, authorized personnel	3	5	3
*32 Clean, soiled linen properly stored	1	1	1
*33 Tables clean, free of clutter	2	3	3
*34 Signage necessary, professional, appropriate	1	2	2

FLOORS, WALLS & CEILINGS	A	B	C
*28 Floors, drained, clean, good repair, covering, dustless cleaning methods	2	3	3
*29 Walls, ceiling, attached equipment constructed, good repair, clean, surfaces, dustless cleaning methods	2	3	3

GARBAGE & REFUSE DISPOSAL	A	B	C
*26 Containers or receptacles, covered, adequate number insect/rodent proof	2	2	2
*27 Presence of insects/rodents-outer openings protected, no birds, turtles or other animals	4	5	4

ADMINISTRATION	A	B	C
*35 Current health permit posted	1	1	0
*36 Most recent inspection report available	1	1	0
*37 TBE License posted	1	1	1

VENDING - MERCHANDISE	A	B	C
*38 Machines stocked full of merchandise	1	0	3
*39 Merchandise properly stocked and displayed	1	0	3
*40 Product properly loaded, priced and labeled	1	0	3
*41 All merchandise within expiration date	3	0	5
*42 Product rotated properly and fresh	1	0	3

VENDING - MACHINE APPEARANCE	A	B	C
*43 Tops of machines clean	1	0	3
*44 Glass fronts of machines clean	1	0	3
*45 Machine fronts free of unapproved signage or tape	1	0	3
*46 Necessary signage: neat and clean, legible	2	0	4
*47 Delivery door area clean	2	0	4

VENDING - MACHINE INSIDE	A	B	C
*48 Spiral troughs dusted and cleaned	1	0	3
*49 Bottom of machine organized, free of debris	1	0	3
*50 Working properly: boards, coin mechs, bill acceptors, compressors, etc.	1	0	3
*51 Other internal components (parts, walls, etc.)	1	0	3

Comments: _____

Manager's Signature _____ BE Consultant _____

Failure to correct any critical violations within three working days shall result in the immediate removal as manager of this facility and the initiation of disciplinary action. Repeated violations of a non-critical nature which constitute a health hazard shall result in probation. You have the right to appeal any action taken against you as a consequence of this report pursuant to 1240-6-11 of the Tennessee Business Enterprises rules and regulations.

FACILITY SITE VISIT

Facility No. _____

Manager _____

Date/Time _____

Manager Present _____ Yes _____ No

The following observations were noted:

Excellent Good Fair Poor

Quantity/Variety of merchandise _____

Appearance of display/machines _____

Appearance of manager/employees _____

General cleanliness _____

All equipment functioning properly _____

Topics discussed with manager:

Comments:

PLAN OF ACTION

GOAL:

Goal is attained when:

[illegible]

--	--

Manager Counselor Date

TENNESSEE BUSINESS ENTERPRISES
CONSULTANT SATISFACTION SURVEY

Manager's
Name _____ **Date** _____

Poor Good Excellent

Your Consultant responds in a timely

Manner to your telephone calls

(within 24 hours). _____

2. Your Consultant makes routine visits

to your facility (at least once per month). _____

3. Your Consultant offers meaningful

and up-to-date merchandising

information. _____

4. Your Consultant provides meaningful

and constructive suggestions on how
to improve your business. _____

5. Your Consultant has jointly developed
with you an Annual Facility Plan and
has followed through with his/her
commitments. _____

6. Your Consultant conducts
himself/herself in a professional manner. _____

7. Your Consultant shows a thorough
knowledge of the TBE Rules and
Regulations and the Operations Manual. _____

8. Your Consultant maintains an open
line of communication with you. _____

9. Consultant responds immediately to
emergency situations in your facility. _____

10. Overall, how would you rate your
Consultant's job performance. _____

Comments: _____

TENNESSEE BUSINESS ENTERPRISES

CODE OF ETHICS

Tennessee Business Enterprises' Managers, staff, and partners are committed to the highest standards of ethical conduct in the performance of their obligations to customers, suppliers, property management, and others with whom they have contact. As a member of the TBE team, I understand my obligation to conduct all aspects of my responsibilities with honesty and integrity and to always present a positive image of TBE.

I AGREE TO:

Deal honestly with all customers, employees, suppliers, property management officials, and anyone else with whom I have contact in my capacity with TBE;

Treat with dignity and respect customers, employees, suppliers, property management officials, and others with whom I have contact in my capacity with TBE;

Take no action to bring the reputation or image of TBE into disrepute;

Comply with all federal, state, and local laws that have application to TBE;

At all times comply with governmental rules and regulations that relate to TBE operations;

Adhere to all requirements contained in the TBE Operations Manual;

Ensure that my focus will be on TBE providing quality products and excellent customer service;

Commit to ensuring that TBE facilities are safe food handling environments and that they meet the highest standards of cleanliness;

Use sound accounting and bookkeeping practices and report accurately operational activities as required;

Signature Date