



Celyn's Mini Market @ Edith Green-Wendell Wyatt Federal Building, Portland

MESSAGE FROM THE DIRECTOR



South Falls Café @ Silver Falls State Park

Since 2020, COVID-19 has transformed the global economy and served as a major catalyst for economic change, especially in the food service industry.

In 2022, occupancy of government office buildings slowly improved but building occupancy levels remain well below pre-pandemic levels. This reduction in our customer client base has continued to impact the food service industry, forcing some vendors out of business. The Business Enterprise Program's (BEP) Vending Facility Managers (VFMs) continue to be significantly impacted.

Financial forecasts predict a long, slow recovery. However, this year, the overall average BEP VFM income ticked up 9% over last year thanks in part to the addition of the South Falls Café at Silver Falls State Park in May 2021 and the transformation from traditional to more 'intelligent vending' offered to consumers in a sanitary, touchless environment known as a micro market.

In 2022 the BEP installed four new micro markets in the Portland and Salem metro areas. This past year also saw the continued implementation of the vending self-service initiative with a rollout of 50 BEP-owned vending machines operated by a VFM in the Portland metro area.

In 2017, HB3253 granted the BEP "right of first refusal" for the operation of vending facilities in public buildings. HB3253 also requires that this report be submitted to the legislature on an annual basis.

AGENCY PROGRAMS

The Oregon Commission for the Blind (OCB) was established in 1937 as a state agency and has evolved over time to become a consumer-focused organization with a citizen-governing body appointed by the Governor. The agency receives policy direction and oversight from a seven-member Commission representing consumer organizations, educational institutions, ophthalmology and optometry professionals, business leaders, and individual citizens. It is required that a majority of the seven members of the Commission are persons who are blind.



Experienced counselors work with students who are legally blind (or have a condition that will lead to blindness) to help ensure a successful transition from high school to college or the workforce.

YOUTH/TRANSITION SERVICES



In-depth residential training center in Portland instructs students in adaptive technology, techniques of daily living, and orientation and mobility (O&M).

ORIENTATION & CAREER CENTER

VOCATIONAL REHABILITATION

At the core of the agency is the Vocational Rehabilitation (VR) Program designed to provide Oregonians with job readiness assistance. Experienced VR counselors help clients hone many of the skills necessary to obtain employment while pairing businesses in search of skilled and dedicated employees with a pool of talented candidates.

INDEPENDENT LIVING



Rehabilitation Instructors provide home and community-based training, techniques of daily living, and resources to residents age 55 and over who experience vision loss and want to maintain a greater level of independence.

BUSINESS ENTERPRISE PROGRAM

Business Enterprise Program (BEP) staff promote client independence by providing opportunities and training in food service and vending operations management to Oregonians who are legally blind.



BE PROGRAM DESCRIPTION

The Oregon Commission for the Blind is the designated State Licensing Agency for the Business Enterprise Program (BEP) under the federal Randolph-Sheppard Act. BEP operates by the authority of Oregon Revised Statutes 346.510 – 346.570. The BEP was designed to provide for-profit business management opportunities for Oregonians who are legally blind, while also providing customers with high-quality food service and vending programs. These business owners are called Vending Facility Managers (VFM).

AS THE STATE LICENSING AGENCY, THE BEP HAS THE FOLLOWING FEDERAL AND STATE MANDATED RESPONSIBILITIES:

RECRUIT & TRAIN NEW VENDING FACILITY MANAGERS

- Select, train, and license qualified individuals
- Provide continuing education opportunities to all licensed individuals
- Ensure licensees comply with federal and state agreements

PARTNER WITH FEDERAL, STATE, MUNICIPAL, AND OTHER PUBLIC AGENCIES

- Gather data on new facilities being built or acquired
- Survey locations for new opportunities
- Establish locations and negotiate agreements
- Manage agreements

PROVIDE SUPPORT TO VENDING FACILITY MANAGERS

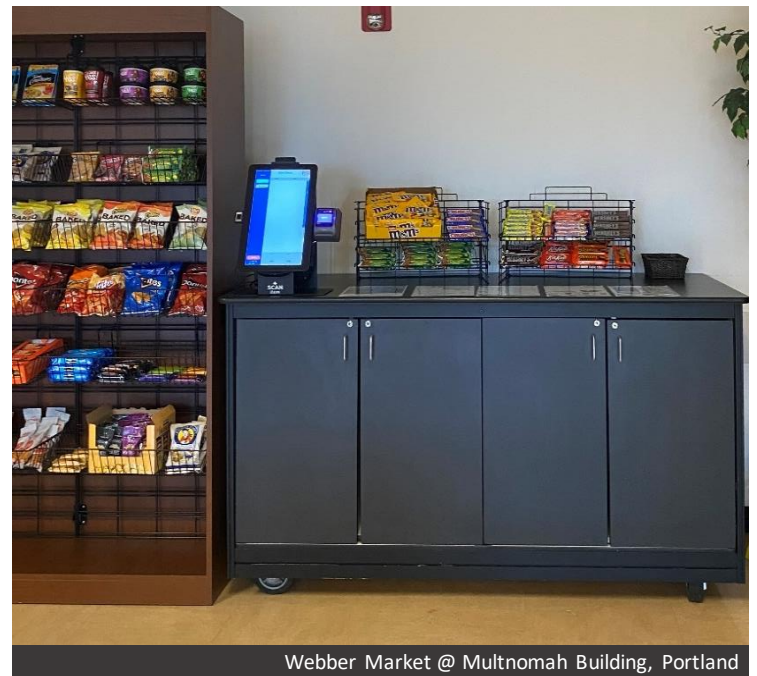
- Provide ongoing maintenance to established facilities
- Inspect and evaluate all facilities annually
- Process monthly financial information including billing and collection of required fees

EDUCATE & ENFORCE PROGRAM RULES

- Enforce the Randolph-Sheppard Act and Code of Federal Regulations, part 395
- Enforce Oregon Revised Statutes 346.510 – 346.570



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Webber Market @ Multnomah Building, Portland

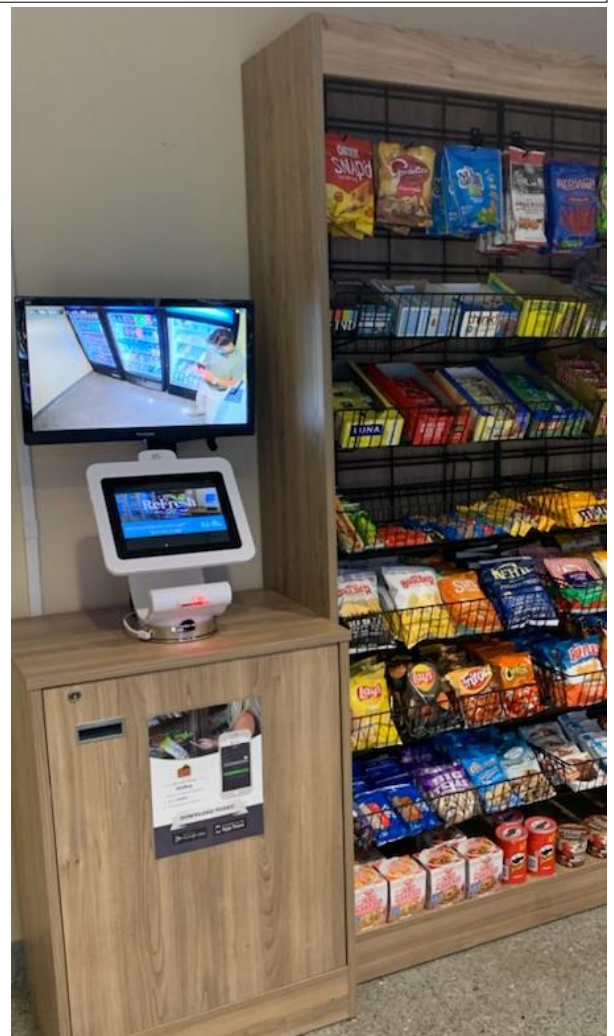
PROGRAM HIGHLIGHTS 2022

The post-COVID-19 era has seen emerging market trends focused on the consumers' desire for more healthy food being sold in a sanitary, touchless environment. As a result, workplaces have been shifting toward more 'intelligent vending' such as micro markets that feature coolers equipped with sensors to monitor the status of food. Micro markets are a hybrid form of vending, foodservice, coffee service, and convenience stores. They provide an improved, unstaffed, touchless customer experience, greater customizable product variety, and increased sales within a single location, all while keeping labor costs down. Research shows that an office space hosting 50+ workers would be considered a feasible nano market (scaled-down micro market) location while 100+ employees is considered optimal for a traditional micro market.

According to an article in '[Kiosk Marketplace & Vending Times](#)', the National Automatic Merchandising Association (NAMA) reported the number of US micro markets rose from 19,671 in 2016 to 43,500 in 2020. Eric Dell, NAMA EVP reported that while just 14% of vending operators reported growth during COVID-19, 21% of micro market operators did. In addition, micro markets are expected to recover the fastest, outpacing all other convenience services segments through 2025.

STAYING ON TREND

This year, the BEP outfitted and opened four new micro markets in the following locations: Portland State Office Building, Multnomah Building, Employment Building (Salem), and Edith Green-Wendell Wyatt Federal Building. BEP VFMs currently self-operate six micro markets in the Salem and Portland metro areas.



Portland State Office Building Micro Market

PROGRAM HIGHLIGHTS 2022



In 2016, the Business Enterprise Program received general funds from the Legislature for use toward purchasing tools necessary for the BEP VFMs to operate their own businesses.

That year the agency began purchasing vending machines to help BEP VFMs build their own businesses and achieve a higher profit margin than subcontracted machines historically net.

To date, 130 agency-owned vending machines have been deployed, and 150 machines are slated for installation throughout the 2023 calendar year. These machines, purchased with state General and Federal matching funds, are self-serviced by the VFMs who receive 100% of the sales profit.

In addition to the vending machines, the BEP VFMs who self-serve a vending route have been provided appropriately equipped delivery vehicles, warehouse racking, storage containers, coin and currency counters, hand trucks, and credit card readers.

The Oregon Commission for the Blind Business Enterprise Program staff provides training on the installation and use of this equipment, as well as ongoing support, and machine repair or replacement.



Labor & Industries Building Micro Market, Salem

OUTREACH EFFORTS

In order to assist government agencies in complying with the updated ORS 346.530 reporting requirement, a survey was sent out to over 2,000 email recipients through the OregonBuys procurement network. To date we have received 51 responses to the survey from the following public entities:



Port of Newport



City of Keizer



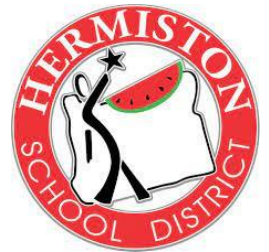
Scio School District



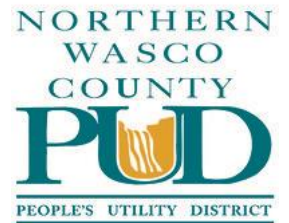
OUTREACH EFFORTS



Lane County Technology Services



Yamhill Carlton School District 1



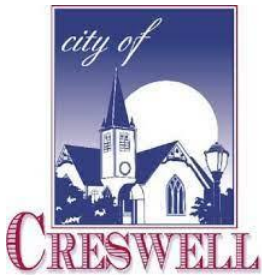
OUTREACH EFFORTS



Lone School District R2

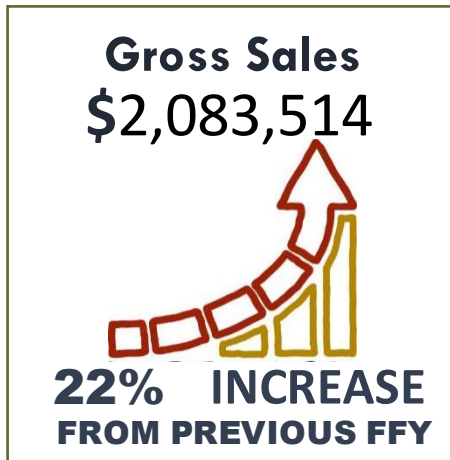


SOUTH WESTERN
Oregon Community College



PROGRAM PERFORMANCE

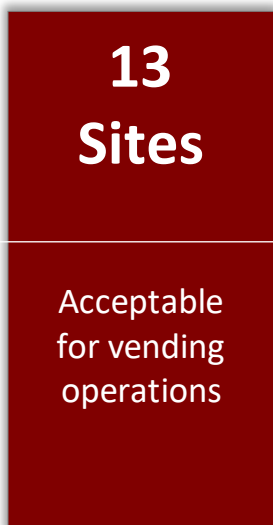
15 VFMs participated in the BEP in FFY 2022. In addition, two potential VFMs were in training during FFY 2022. Below are performance numbers for FFY 2022.



According to the [State of Oregon Employment Department Per Capita Personal Income 2021 Report](#), the average VFM income is \$8,325 lower than Oregon's per capita net earnings of \$35,634.

POTENTIAL SITE VIABILITY SURVEYS

Each year, BEP conducts site surveys in governmental buildings or properties to determine the viability of installing a food service or vending operation at the location. Twenty-nine such surveys were conducted in FFY 2022 and the results are detailed below.



CONTACT US

Have questions or comments about this report?

Want an accessible version of this report?

Want more information about the Business Enterprise Program?

Visit our website for detailed information:

BEP WEBSITE

<https://www.oregon.gov/blind/BEP/Pages/businessenterprise.aspx>

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