



DEPARTMENT OF THE NAVY  
OFFICE OF THE CHIEF OF NAVAL OPERATIONS  
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OPNAVINST 4535.1C  
N4  
18 Nov 2020

OPNAV INSTRUCTION 4535.1C

From: Chief of Naval Operations

Subj: VENDING FACILITY PROGRAM FOR THE BLIND

Ref: (a) 20 U.S.C. §107, et. seq.  
(b) 34 CFR 395, et. seq.  
(c) DoD Instruction 1125.03 of 22 December 2009  
(d) 10 U.S.C. §2491  
(e) SECNAVINST 4535.3A

Encl: (1) Requirements and Operating Procedures  
(2) Definitions  
(3) Sample Letters Regarding Blind Vendor Opportunities  
(4) Naval Facilities Engineering Command and Component Commands  
(5) Sample Randolph-Sheppard Act Vending Facility Annual Report  
(6) Annual Inter-Agency Report on State Licensing Agency Applications Received for Establishment of Vending Facilities on Federal Property and Amount of Vending Machine Income Collected and Dispersed to SLA

1. Purpose

a. To issue revised administrative policy guidance and procedures for the operation of the vending facility program for the blind within the Navy, per references (a) through (e).

b. This instruction is a complete revision and should be reviewed in its entirety. This revision captures responsibilities not covered in the previous issuance and provides a needed update to guidance that has evolved significantly since the last revision. Major changes are summarized below in subparagraphs 1b(1) through 1b(3).

(1) Removed points of contact and mailing addresses for the state licensing agencies (SLA) and replaced with a Web site that contains this information and provides the most current information for each of the SLAs.

(2) Provided clarification that appropriated funds may be used to support the Navy's Randolph-Sheppard Act (RSA) program.

(3) Provided a standard format for inter-agency reports on SLA applications.

2. Cancellation. OPNAVINST 4535.1B.

3. Applicability. This instruction is applicable to all Navy activities in the 50 States, the District of Columbia, Puerto Rico, American Samoa, Guam, and the Virgin Islands.

4. Background. The RSA, per reference (a), requires the establishment of a vending facility program for the blind on Federal property. The RSA specifically provides SLA for the blind a priority right to operate vending facilities and cafeterias; establishes requirements for the inclusion of blind vending facilities in certain newly constructed or renovated buildings; and directs that a portion of net income from some vending machines be shared with SLAs. Authorized SLAs are listed with the National Council of State Agencies for the Blind. Points of contact and mailing addresses are found on the National Council of State Agencies for the Blind's Web site at <http://www.ncsab.org/List/StateDirectors>.

5. Policy. Policy guidance and procedures for the operation of the vending facility program for the blind have been established in references (b) and (c) and further implementation within the Navy can be found in enclosure (1). Applicable terms used in this instruction are defined in enclosure (2). Government-wide oversight of the vending facility program is assigned to the Department of Education as detailed in reference (b), and basic policy on RSA matters within the Department of Defense (DoD) is found in reference (c). These authorities take precedence when conflicts arise with regard to this instruction or other implementing Navy directives.

6. Responsibilities

a. Commander, Navy Installations Command (CNIC) is responsible for the vending facility program for the blind on Federal property within the Navy. CNIC exercises this responsibility through the CNIC Fleet and Family Readiness Division (CNIC N9) which manages the RSA program as part of its quality of life mission.

(1) CNIC N9 will enforce policy, provide program oversight, and publish standards, procedures, forms, and training to ensure proper adherence to RSA matters throughout the Navy regions.

(2) CNIC N9 may meet and coordinate with the Department of Education RSA Program Office and the SLAs in order to advance the goals of the RSA.

(3) CNIC N9 may conduct surveys, site inspections, and periodic enterprise-wide census activities to ensure program accountability and compliance.

(4) CNIC N9 must maintain records of applications and permits for each blind vendor facility established on Navy property.

b. Region commanders are responsible for RSA matters in their region and will act as “on-site officials” over Navy buildings or installations under their authority.

(1) The responsible Navy region commander is also the on-site official in instances where buildings are under the management control of the Navy but occupied by organizations, agencies, or personnel of other Services.

(2) In those instances where property owned by the Department of the Navy is not under the direct management of a CNIC regional commander (e.g., Marine Corps installations, naval hospitals), the on-site official is the commanding officer assigned accountability of the building or installation.

(3) In those instances where Navy commands are tenants in buildings under the management control of other Services or agencies, the on-site official is a member of the government organization exercising property management responsibilities of the building or installation.

(4) Region commanders will remain cognizant of actions by subordinate commands in complying with the provisions of the RSA to ensure consistency of procedures and to present a focal point for the resolution of common issues that impact the Navy’s relationship with SLAs.

(5) Requests from either SLAs or individual blind vendors concerning the priority rights of the blind under the RSA, received directly by an on-base subordinate or tenant organization, will be referred to the on-site official for action.

(6) Region commanders will consult Navy Office of the General Counsel in the process of engaging in any substantive discussions with SLAs.

(7) Region commanders will keep Commander, Navy Installations Command, N9 Legal (CNIC N9L) advised and request guidance whenever issues arise that are not covered by published policy or when contemplating actions which require the specific approval of CNIC or other higher levels of authority.

(8) Region commanders will include (CNIC N9L) as a “copy to” addressee on all correspondence between on-site officials and SLAs. Sample letters to SLAs are provided in enclosure (3).

c. Naval Facilities Engineering Command components will make themselves available to provide technical assistance. See enclosure (4).

7. **Funding.** The operation of the Navy’s RSA Program will be supported with appropriated funds. Any such funds are authorized to be converted to nonappropriated funds (NAF) via uniform funding and management procedures under reference (d).

8. Action

a. Region commanders will implement the policies and procedures specified in enclosure (1).

b. Region commanders, as the on-site officials, are authorized to approve applications submitted by SLAs for permits to operate vending facilities at satisfactory sites.

9. Records Management

a. Records created as a result of this instruction, regardless of format or media, must be maintained and dispositioned per the records disposition schedules located on the Department of the Navy Directorate for Administration, Directives and Records Management Division portal page at <https://portal.secnav.navy.mil/orgs/DUSNM/DONAA/DRM/Records-and-Information-Management/Approved%20Record%20Schedules/Forms/AllItems.aspx>.

b. For questions concerning the management of records related to this instruction or the records disposition schedules, please contact the local records manager or the Office of the Chief of Naval Operations (OPNAV) Records Management Program (DNS-16).

10. Review and Effective Date. Per OPNAVINST 5215.17A, Deputy Chief of Naval Operations for Fleet Readiness and Logistics (CNO N4) will review this instruction annually on the anniversary of its effective date to ensure applicability, currency, and consistency with Federal, DoD, Secretary of the Navy, and Navy policy and statutory authority using OPNAV 5215/40 Review of Instruction. This instruction will be in effect for 10 years, unless revised or cancelled in the interim, and will be reissued by the 10-year anniversary date if it is still required, unless it meets one of the exceptions in OPNAVINST 5215.17A, paragraph 9. Otherwise, if the instruction is no longer required, it will be processed for cancellation as soon as the need for cancellation is known following the guidance in OPNAV Manual 5215.1 of May 2016.

11. Forms and Information Management Control

a. DD 1391 (JUL 99), FY\_\_ Military Construction Project Data Form is available on the DoD Forms Management Web site at <http://www.esd.whs.mil/Portals/54/Documents/DD/forms/dd/dd1391.pdf>. Further guidance on necessary preliminary actions, prior to preparation of the DD 1391, can be found in subparagraph 2b of enclosure (1).

b. Reference (e) requires a fiscal year-end consolidated report listing the total number of vending facility applications, number approved, number denied, number pending, total amount of vending machine income collected, and the amount of such vending machine income disbursed to each SLA. Region commanders will submit this data in the format of enclosure (5) to CNIC Fleet Readiness (CNIC N92) not later than 31 October, covering the previous fiscal

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year program. CNIC N92 and CNIC N9L will complete the consolidated report, enclosure (6), and forward it to Assistant Secretary of the Navy, Manpower and Reserve Affairs via Chief of Naval Operations.

A handwritten signature in black ink, appearing to read 'R. L. Williamson', with a large, stylized initial 'R'.

R. L. WILLIAMSON  
Deputy Chief of Naval Operations  
(Fleet Readiness and Logistics)

Releasability and distribution:

This instruction is cleared for public release and is available electronically only via Department of the Navy Issuances Web site, <https://www.secnav.navy.mil/doni>

## REQUIREMENTS AND OPERATING PROCEDURES

1. Priority Right to Operate Vending Facilities. The blind have a priority right to operate vending facilities on Navy-controlled property when the opportunity to operate them becomes available. This preference allows blind licensees to be gainfully employed. While the primary responsibility for carrying out this intent falls upon the SLA, it is nevertheless a responsibility of the on-site official to ensure that the operator is, in fact, a state-licensed blind person, that sighted employees or assistants are utilized only to the extent reasonably required, and procedures detailed in subparagraphs 1a through 1b are followed.

a. The requirement to offer the SLA a priority right to operate vending facilities on any Federal property is found in references (a), (b) and (c). Compliance with this provision requires that, where feasible, commanders of Federal property in geographic areas subject to the RSA will take the initiative to identify and offer a specific site or sites at which the SLA may operate a blind vending facility. Such a location should be in an area where there is potential for a self-sustaining operation through patronage from the day shift (0800 to 1800 hours) workforce and visitors to Navy installations.

b. This priority right will not be granted when it is determined that the interests of the United States would be adversely affected, subject to notifications and approvals as indicated in subparagraphs 6a through 6g below. This priority right does not prohibit the establishment or operation of:

(1) military exchange stores, retail outlets, food and beverage operations, vending, mobile meal vehicles, or services contracted by or on behalf of the Navy Exchange;

(2) Navy morale, welfare and recreation (MWR) food and beverage operations;

(3) commercial or franchise food and beverage operations, including mobile meal vehicles, that are established or routinely operating in the location prior to the issuance of the permit to the SLA for the operation of the blind vendor facility; or

(4) occasional fundraising activities conducted by Navy personnel and organizations pursuant to the policy and procedures of 5 Code of Federal Regulations, section 2635.808, Standards of Ethical Conduct for Employees of the Executive Branch, and DoD Manual 5500.7-R, chapter 3, DoD Joint Ethics Regulation, of 30 August 1993.

2. Requirement for Satisfactory Sites. Satisfactory sites are required to be offered to an SLA under the conditions outlined in the following subparagraphs 2a through 2f.

a. Any Navy-acquired (purchased, rented, leased and constructed) or substantially altered or renovated building is required to have one or more satisfactory sites for a blind-operated vending facility. Should the on-site official determine that blind vending services are desirable to meet

employee needs and such a vending facility can be economically operated, the SLA should be invited to establish a vending facility. The requirement to provide a satisfactory site does not apply in the circumstances outlined below in subparagraphs 2a(1) through 2a(3).

(1) When fewer than 100 Federal employees are located in the building during normal working hours.

(2) When the building contains less than 15,000 square feet to be used for Federal Government purposes and its services are to be provided to the general public.

(3) When a Navy activity is leasing all or part of a privately owned building in which the lessor or any of its tenants have an existing restaurant or other food facility in a part of the building not covered by the lease, and the operation of a vending facility would be in substantial direct competition with such restaurant or other food operation.

b. When a facility, other than as described in subparagraph 2a above, is being proposed for the Military Construction Program, space will be allotted for vending facilities for operation by the blind. Prior to preparation of DD 1391, Military Construction Project Data form, and in coordination with the Naval Facilities Engineering Command Headquarters and the cognizant facilities engineering command (see enclosure (4)), the on-site official must contact the SLA by certified mail, return receipt requested, to determine if there is an interest in obtaining space for vending facilities. Enclosure (3) provides sample letters to use in notifying SLAs of potential opportunities in buildings undergoing new construction or substantial alteration. The result of this contact must be included in the "special considerations" submitted with the DD 1391.

c. Where the SLA is found to be interested in establishing a vending facility, the on-site official will require the facilities engineering command, during the conceptual design stages, to contact the SLA by certified mail, return receipt requested, to determine if the SLA still desires vending space. Negative replies will also be requested and placed in the project file.

d. When it is determined that a vending facility is to be incorporated into the building, the facilities engineering command will ensure that the location, size, and arrangements within the building are consistent with the operational functions and are agreed to by both the Navy activity and the SLA.

e. If the SLA replies to such notification of potential opportunity that it does not desire to establish and operate a vending facility, and

(1) indicates any specific reason other than insufficiency of the number of persons to support a vending facility, then a satisfactory site will be incorporated in the construction or renovation plans based upon the anticipated needs of the Navy; or

(2) indicates the number of persons is insufficient to support a vending facility, then a satisfactory site need not be incorporated in the construction or renovation plans.

f. If the SLA fails to respond in writing within 30 days of receipt of the written notice by the on-site official of the potential availability of a satisfactory site, it will be deemed that the SLA has declined the opportunity to submit an application for a permit, in which case a satisfactory site will be incorporated in the construction or renovation plans based upon the anticipated needs of the Navy.

g. Notification by the SLA of its intent to operate a blind vending facility does not constitute application for a permit. A separate request for a permit must be submitted to the on-site official.

3. SLA Application and Issuance of Permit. The SLA application for a permit to operate vending facilities on Navy-controlled property must be submitted to the on-site official.

a. CNIC may establish standardized formats and templates for applications and permits that incorporate uniform terms and conditions for the establishment and operation of blind vendor facilities.

b. The on-site official is authorized to approve the SLA application and issue a permit per the standards and guidance of this instruction.

c. When issued, vending facility permits are subject to the requirements listed in the following subparagraphs 3c(1) through 3c(9).

(1) The permit will describe the facility location.

(2) The permit will be issued in the name of the SLA.

(3) No charge will be made by the Navy to the SLA or blind vendor for normal repair and maintenance of the building, cleaning areas adjacent to the vending facility, or trash removal from a designated collection spot.

(4) The permit must stipulate that the SLA and blind vendor will be responsible for the cleanliness, appearance, and security of the vending facility within its designated boundaries, to include equipment, merchandise, and other products. Neither party will be responsible for loss or damage to the other's property, unless proximately caused by its acts or omissions. The SLA will also be responsible for the acts or omissions of the blind vendor and its employees or agents.

(5) Articles sold at vending facilities operated under the RSA may consist of newspapers, periodicals, publications, confections, food, beverages, or lottery tickets authorized by state law and conducted by a state agency, and other articles or services traditionally found in blind-



operated vending facilities, as determined by the SLA in consultation with and subject to the approval of the on-site official. These articles and services may be dispensed automatically or manually.

(6) Vending facilities will be operated in compliance with applicable health, sanitation and building codes, ordinances and regulations.

(7) Installation, modification, relocation, removal, and renovation of vending facilities will be subject to prior approval of the on-site official. Costs of installation, modification, removal, relocation, or renovation will be paid by the initiating party. In the case of suspension or termination of the operating permit on the basis of non-compliance by either party, the costs of removal from the building will be borne by the non-complying party.

(8) Unless waived by the on-site official, the permit will also contain appropriate requirements for the reimbursement of, or direct payment for, support services such as utilities and telephone services.

(9) The permit may also include guidelines for fair pricing of items and services.

d. The permit will be issued for an indefinite period of time, subject to any of the following in subparagraphs 3d(1) through 3d(5).

(1) Updating, revision and reissuance by the on-site official to ensure continuing compliance with current standards and policy. On-site officials must review the permit every 5 years to ensure that the provisions of the document are current and relevant.

(2) Significant change in the operation or wares of the vending facility requiring the initiation of a new application and permit.

(3) The SLA's replacement or substitution of a new manager or blind vendor operator requiring the initiation of a new application and permit.

(4) Suspension or termination upon failure to comply with the terms of the permit.

(5) Termination by either party upon 60 days written notice in cases of:

(a) loss of use of a building or other facility housing the vending operation;

(b) deactivation of the installation, activity, or building;

(c) change in the Navy's requirement for service;

(d) inability of the SLA to continue to operate the vending facility;

- (e) revocation of the blind vendor's license by the SLA; or
- (f) abandonment of the vending facility by the blind vendor.

e. When an application is not approved, the on-site official will notify the SLA in writing, indicating reasons for disapproval. Prior to issuance of notice of disapproval, the on-site official will coordinate with CNIC N9L in order to make the required notifications described in subparagraph 6g below.

4. Failure to Comply with Requirements. In the event the blind licensee fails to provide satisfactory service, or otherwise fails to comply with the requirements of the permit issued to the SLA, the on-site official will, after coordinating with CNIC N9L, notify the SLA of this deficiency and request corrective action within a specified time. Such notice will indicate that failure to correct the deficiency will result in temporary suspension or termination of the permit, as appropriate. Any suspension or termination action will be taken per reference (c) and subparagraph 6d.

5. Priority Right to Operate Cafeterias. The blind have a priority right to operate cafeterias on Navy-controlled property when such operation is contracted. See paragraph 2 of enclosure (2) for a detailed definition of "cafeteria" and see subparagraphs 5a through 5e for more detailed information on how contracts are awarded.

a. The procuring activity solicitation, when issued, will establish basic requirements and the criteria for judging proposals. One copy of each solicitation will be provided to the SLA. The criteria upon which proposals will be evaluated may include factors such as sanitation practices, personnel staffing, menu pricing and portion sizing, variety of products, budget and accounting practices, fees, and other relevant considerations.

(1) If the SLA submits a proposal and it is not within the competitive range established by the contracting officer, award may be made to another offer, or following normal procurement procedures, but only after concurrence of such action by the on-site official and CNIC N9L.

(2) If the SLA submits a proposal and it is within the competitive range established by the contracting officer, at a fair and reasonable price, the contract will be awarded to the SLA under the guidelines of the Joint Report to Congress and Policy Statement, RSA-JWOD Operation of Military Dining Facilities, of 29 August 2006, except as provided in subparagraph 5a(3) below.

(3) The contracting officer may award to other than the SLA when it is determined by the onsite official that award to the SLA would adversely affect the interests of the United States, or when it is determined by the contracting officer that the blind vendor does not have the capacity to operate the food service to the same standards as available from other providers of similar food service subject to the notifications and approvals in subparagraph 6f below.

b. Non-competitive, direct negotiations may be undertaken with SLAs whenever the on-site official, with the concurrence of CNIC N9L, has determined that the SLA's blind licensee can provide required cafeteria services at reasonable cost and high quality, when compared with services available from other operators. When such negotiations fail to result in contract award, procedures described in subparagraph 5a above will be followed.

c. The operation of a cafeteria by a blind vendor will be governed by an awarded contract, not by permit. Normal contract administration procedures will apply, except that termination actions will not be taken without prior coordination with CNIC N9L.

d. All contracts for the operation of cafeterias on Navy-controlled property with other than SLAs will, upon expiration, be processed as detailed above in subparagraph 5a(1) through 5a(3), unless the SLA informs the on-site official that it is not prepared to exercise its priority rights at that time.

e. Contracts for service support of cafeterias, not amounting to the operation of the cafeteria and the exercise of day-to-day management responsibility, may be awarded on a priority basis to Javits-Wagner-O'Day Act contractors, per Joint Report to Congress and Policy Statement, RSA-JWOD Operation of Military Dining Facilities, of 29 August 2006, and section 856 of Public Law 109-364.

6. Required Notifications and Approvals. Notifications and approvals to the Department of Education, through the Navy and DoD chains, are required in the situations detailed below in subparagraphs 6a through 6g.

a. When the on-site official determines that it is proper to deny an SLA request for a permit to operate a blind vendor facility.

b. When the on-site official intends to place any limitation, opposed by the SLA, on the placement or operation of the blind vending facility.

c. When the SLA declines an invitation to participate in the planning of a satisfactory site or to submit an application for a permit.

d. When the on-site official intends to, or takes action to, suspend or terminate the SLA's permit without the request or consent of the SLA.

e. The contracting officer awards a cafeteria operation contract to an entity other than the SLA when it is determined that award to the SLA would adversely affect the interests of the United States.

f. The contracting officer awards a cafeteria operation contract to an entity other than the SLA based upon the determination that the blind vendor does not have the capacity to operate in such a manner as to provide food service the same as that available from other providers of similar food service.

g. When notifications and approvals are required, applicable documentation together with appropriate comments and information will be forwarded to Department of Education via CNIC N9; Chief of Naval Operations; Assistant Secretary of the Navy, Manpower and Reserve Affairs; and Principal Deputy Under-Secretary of Defense for Personnel and Readiness.

7. Vending Machine Income-Sharing Requirements. The on-site official is responsible for the collection of and accounting for vending machine income subject to revenue sharing with the SLA. The requirements, determination of competition, payment procedures, and income sharing and exceptions in the following subparagraphs 7a through 7h apply.

a. Such income generated or received in commissions by Navy activities will be shared with SLAs as detailed in the following subparagraphs 7a(1) through 7a(4).

(1) One hundred percent (100 percent) of the income from vending machines in direct competition with blind-operated vending facilities will be provided to the SLA.

(2) Fifty percent (50 percent) of the income from vending machines not in direct competition with blind-operated vending machines will be provided to the SLA.

(3) Thirty percent (30 percent) of the income from vending machines not in direct competition with blind-operated vending facilities and located where at least 50 percent of the total hours worked on the premises occurs during other than normal working hours (i.e., after 1800 and before 0800, Monday through Friday) will be provided to the SLA.

(4) Profits from vending machines operated by Navy Civilian MWR programs, even where contracted through Navy Exchange or Ship's Store Systems, will be provided to the SLA, subject to income-sharing requirements.

b. Currently, the vending machine income-sharing requirements outlined in subparagraphs 7a(1) through 7a(4) below do not apply.

(1) Income from vending machines operated by or for the Navy Exchange or Ship's Store Systems where profits from such vending machine operations are remitted to a Navy military MWR program.

(2) Income from vending machines operated by or for the United States Naval Academy Business Services Division where profits from such vending machine operations are remitted to the Midshipmen Welfare Fund.

(3) Income from vending machines, not in direct competition with the blind-operated vending facility, at any individual location, installation, or facility where the total of the net income from all such machines does not exceed \$3,000 annually.

c. The determination of whether a vending machine is in direct competition with the blind-operated vending facility is the responsibility of the on-site official.

d. Payment to SLAs under these income-sharing requirements must be made quarterly on a calendar year basis. Final payment must be made within 60 days after the end of the calendar year.

e. Payment to other than an SLA should be made only upon receipt of a notarized affidavit from the SLA stating that a nominee was authorized to act as its agent to receive vending income payments. The SLA should be provided with a duplicate copy of every record of payment made to its nominee.

f. In determining quarterly vending machine income-sharing payments, if the first quarter net profit at a location is less than \$3,000, this profit will be projected for the entire year. If this projected annual net profit is \$3,000 or more, no immediate payment will be made to the SLA, but the appropriate percentage of actual profit (30 or 50 percent) will be put in escrow. This procedure will be followed each quarter. Payments will begin with the quarter in which actual profits exceed \$3,000. Any funds remaining in escrow at the end of the calendar year which are in excess of computed SLA liability will revert to the sponsoring Navy activity.

g. The \$3,000 net profit income-sharing exception and the procedures described in subparagraph 7f above are not applied to machine profits in locations determined to be in direct competition with a blind-operated vending facility. Since 100 percent of these net profits are payable, all net profits from machines deemed to be in direct competition must be paid to the SLA at least quarterly.

h. Administrative and accounting overhead expenses may be used in connection with computing net vending machine income. For the sake of simplicity, accuracy, and uniformity of computation, the calculation technique described in subparagraphs 7h(1) through 7h(3) below will be used in determining vending machine net income.

(1) Vending machine net income must be calculated by reducing direct vending machine operating profits (direct department vending machine revenue less direct department vending machine expense) by a proportional share of the general and administrative expense of the sponsoring Navy activity that managed vending machine operation. No credit can be applied for any appropriated fund expenses.

(2) The proportional general and administrative expense must be calculated by first determining the percentage of all NAF general and administrative expenses to all sales of the

managing NAF activity and then applying this percentage to vending machine sales only. For example, if total sponsoring Navy activity retail sales (including all vending facilities and vending machines) for the quarter are \$20,000 and general and administrative expenses are \$2,000 for the same period, the relationship of general and administrative expense to total sales for the period is 10 percent. Assuming that the vending machine component of such sales for the same period is \$9,000 with direct departmental vending machine expense of \$5,000, there is a gross vending machine operating profit of \$4,000. The application of the proportional share of general and administrative expense (10 percent) to the \$9,000 vending machine sales is \$900. This amount is subtracted from the \$4,000 direct department vending machine operating profit and results in net vending machine profits subject to income sharing of \$3,100 (\$4,000 to \$900). In no instance will a proportion greater than 15 percent be allowed in computing adjusted net profit.

(3) A record of this overhead allocation calculation must be retained in the business files in order to validate actual determination of income sharing with the SLA.

## DEFINITIONS

1. Blind Licensee. A blind person licensed by the SLA to operate a vending facility on Federal or other property.
2. Cafeteria. A food dispensing facility which provides a broad variety of prepared foods and beverages (including hot meals) primarily through the use of a serving line where the customer serves or selects from displayed selections. A cafeteria may be fully automatic, self-service, or have limited waiter or waitress service. Table or booth seating facilities are always provided. DoD component food dispensing facilities which conduct cafeteria-type operations during part of their normal operating day, and full table-service operations during the remainder of their normal operating day, are not cafeterias if they engage primarily in full table-service operations. For purposes of compliance with the provisions of the RSA, MWR food and beverage operations, and Navy Exchange food and beverage operations are not considered to be cafeterias and are excluded from this definition.
3. Direct Competition. The presence and operation of a DoD component vending machine at the same location as a blind vendor facility or vending machine; or the presence and operation of a DoD component vending facility selling the same or substantially similar items at the same location as a vending machine or facility operated by a blind vendor. Vending machines or vending facilities operating in areas serving employees, the majority of whom normally do not have access (in terms of uninterrupted ease of approach and the amount of time required to patronize the vending facility) to the vending facility operated by a blind vendor, are not considered to be in direct competition with that facility.
4. Federal Property. Any building, land, or other real property owned, leased, or occupied by any department, agency, or instrumentality of the United States.
5. Individual Location, Installation or Facility. A single building or a self-contained group of buildings. A self-contained group of buildings means two or more buildings which are in close proximity to each other and between which a majority of the Federal employees working in such buildings regularly move from one building to another in the normal course of their official business during a normal working day.
6. Head of the DoD Component. Deputy Secretary of Defense, Secretaries of the Military Departments, and the Directors of Defense Agencies or their designees. For the Pentagon Building only, the Deputy Assistant Secretary of Defense (Administration) is designated as the head of the DoD component.
7. License. A written instrument issued by an SLA to a blind person, authorizing that person to operate a vending facility on Federal or other property.

8. Normal Working Hours. An 8-hour work period between the hours of 0800 and 1800, Monday through Friday.
9. On-Site Official. The individual who exercises property management control of a building or facility on Navy or Federal property. Navy region commanders are designated as on-site officials for RSA matters within their respective regions. In any Navy facility not falling under the control, authority, or cognizance of CNIC, the on-site official will be the individual exercising direct control and authority over the facility.
10. Permit. The official written approval to establish and operate a vending facility requested by and issued to an SLA by the on-site official.
11. Satisfactory Site. An area fully accessible to patrons and having sufficient electrical, plumbing, heating, and ventilation outlets for the location of a vending facility per applicable health and building requirements. A satisfactory site will have a minimum of 250 square feet available for sale of items and for storage of articles necessary for the operation of a vending facility, unless the head of the DoD component and the SLA agree that a smaller or larger facility is appropriate.
12. State. The 50 States, District of Columbia, Puerto Rico, American Samoa, Guam, and the Virgin Islands.
13. State Licensing Agency (SLA). The SLA designated by the U.S. Department of Education, Commissioner of the Rehabilitation Services Administration, to issue licenses to blind persons for the operation of vending facilities on Federal and other property.
14. Substantial Alteration or Renovation. A permanent material change in the floor area of a building which would render it appropriate for the location and operation of a vending facility by a blind vendor.
15. Vending Facility. Automatic vending machines, cafeterias, snack bars, cart services, shelters, and counters which sell such items as newspapers, periodicals, confections, food, beverages, and other articles and services to be dispensed automatically or manually, and which are prepared on or off the premises following applicable health laws and further including the vending or exchange of chances for lottery authorized by state law and conducted by an agency of a State within such State. "Vending facility" does not include food dispensing facilities (e.g., food operations of messes or military clubs), which engage in full table-service operation.
16. Vending Machine. For the purposes of assigning vending machine income, a coin or currency-operated machine which dispenses articles or services. Those machines providing services of a recreational nature, commonly referred to as amusement machines (e.g., jukeboxes, pinball machines, electronic game machines, pool tables, shuffle board, and other forms of amusement) and telephone services, are not considered to be vending machines.



17. Vending Machine Income. Receipts from vending machine operations on Federal property, after deducting all applicable costs incurred (costs of goods, services, maintenance, repair, cleaning, depreciation, supervisory and administrative personnel, normal accounting, accounting for income-sharing, etc.) where the machines are operated by any Navy activity. Also, commissions received (less applicable costs) by any Navy activity from a commercial firm which provides vending machines on Federal property for, or with the approval of, any Navy activity.

18. Vendor. A blind licensee who is operating a vending facility on Federal or other property.

SAMPLE LETTERS REGARDING BLIND VENDOR OPPORTUNITIES

(REGION COMMAND LETTERHEAD)

(State Licensing Agency)  
(Complete Mailing Address)

This activity is planning to (construct) (renovate) a building in which you may wish to operate a blind vending facility.

[Here, provide a description of the building, function and number of employees.]

If you determine that this facility is adequate to support a blind vending facility, please advise. When the facility is programmed and conceptual drawings are prepared, the Navy's Facilities Engineering Command, or local public works officer, will furnish you with floor plans showing the proposed site. Should you determine that you are not prepared to establish such a facility for operation by the blind licensee, please so advise.

In the event that you do not respond within 30 days of receipt of this letter, or do not provide an explanation for your decision not to establish a vending facility, I will assume that you have determined that the number of employees is insufficient to support such a facility and the vending space will not be allocated for your use.

Sincerely,

(signature and title of on-site official)

Blind copy to:  
CNIC (N9L)  
Cognizant Region Facilities Engineering Command

(REGION COMMAND LETTERHEAD)

(State Licensing Agency)  
(Complete Mailing Address)

Per the Randolph-Sheppard Act as amended, please find an enclosed line drawing of a building (to be constructed) (designed for substantial alteration or renovation) (to be acquired) at \_\_\_\_\_. Provisions have been made for a general purpose site for a blind-operated vending facility, which is identified on the drawing. The location proposed is considered to be most conveniently accessible to the majority of the \_\_\_\_\_ (number) Federal employees projected to work in the facility. If you determine that this number is sufficient to support a blind vending facility, please indicate your counter-proposal and a description of the type of vending facility to be operated. Should you determine that you are not prepared to establish such a facility for operation by a blind licensee, please so advise.

In the event that you do not respond within 30 days of receipt of this letter, or do not provide an explanation for your decision not to establish a vending facility, I will assume that you have determined that the number of employees is insufficient to support such a facility and the vending space will not be allocated for your use.

Sincerely,

(signature and title of on-site official)

Enclosure:  
(1) Line drawing

Blind copy to:  
CNIC (N9L)  
Cognizant Region Facilities Engineering Command

Note: Forward original letter to SLA using certified or registered mail, return receipt requested.

(COMMAND LETTERHEAD)

From: On-Site Official (Navy Region Commander)  
To: Department of Education (Cognizant Region Office)  
Via: (1) Commander, Navy Installations Command, N9L  
(2) Assistant Secretary of the Navy, Manpower and Reserve Affairs  
(3) Principal Deputy Under-Secretary of Defense for Personnel and Readiness

Subj: RANDOLPH-SHEPPARD ACT NOTIFICATION COMPLIANCE

Ref: (a) Command ltr of \_\_\_\_\_

1. Reference (a) forwarded to the State Licensing Agency (SLA), a line drawing of a building (to be constructed) (designed for substantial alteration or renovation) (to be acquired) at \_\_\_\_\_. The drawing incorporated a proposed site for a blind-operated vending facility.

2. It is concluded from the SLA's (failure to respond to reference (a)) (declination, without further explanation, to establish and operate a vending facility) that it is not inclined or capable to install a blind vendor facility at the location. As a consequence, the establishment of a satisfactory site at this location will be based solely upon the anticipated needs of the Navy.

or:

3. It is concluded from the SLA's response that the number of projected employees in the offered location is insufficient to support a vending facility. Accordingly, and unless otherwise directed by the Secretary, Department of Education, a satisfactory site for a blind-operated vending facility will not be incorporated in the final design phase.

Sincerely,

(signature and title of on-site official)

Copy to:  
Cognizant Region Facilities Engineering Command

Note: Navy Exchange Services Command will be the first "via addressee" when Navy Exchange-managed facilities are involved.

NAVAL FACILITIES ENGINEERING COMMAND  
AND COMPONENT COMMANDS

Headquarters

Commander  
Naval Facilities Engineering Command  
1322 Patterson Ave SE Suite 1000  
Washington Navy Yard DC 20374-6065

Navy Facilities Atlantic

Commander  
Naval Facilities Engineering Command Atlantic  
6508 Hampton Blvd  
Norfolk VA 23508-1278

Commanding Officer  
Naval Facilities Engineering Command Mid-Atlantic  
9742 Maryland Ave  
Norfolk VA 23511-3095

Commanding Officer  
Naval Facilities Engineering Command Midwest  
201 Decatur Ave Bldg 1A  
Great Lakes IL 60088-5600

Commanding Officer  
Naval Facilities Engineering Command Washington  
1314 Harwood St  
Washington Navy Yard DC 20374

Commanding Officer  
Naval Facilities Engineering Command southeast  
Bldg 902 P.O. Box 30  
Jacksonville FL 32212-0030

Navy Facilities Pacific

Commander  
Naval Facilities Engineering Command Pacific  
258 Makalapa Dr Suite 100  
Pearl Harbor HI 96860-3121

Commanding Officer  
Naval Facilities Engineering Command Far East  
PSC 473 BOX 13  
FPO AP 96349-2937

Commanding Officer  
Naval Facilities Engineering Command Marianas  
PSC 455 Box 2937  
FPO AP 96540-2937

Commanding Officer  
Naval Facilities Engineering Command Hawaii  
400 Marshall Rd Bldg A-4  
Pearl Harbor HI 96860-3139

Commanding Officer  
Naval Facilities Engineering Command Europe and Southwest Asia  
PSC 817 Box 51  
FPO AE 09622-0051

Commanding Officer  
Naval Facilities Engineering Command Southwest  
1220 Pacific Hwy  
San Diego CA 92132-5190

Commanding Officer  
Naval Facilities Engineering Command Northwest  
1101 Tautog Cir  
Silverdale WA 98135-1101

Naval Facilities Institute

Director  
Naval Facilities Institute  
3502 Goodspeed St Suite 2  
Port Hueneme CA 93043-4337

Specialty Centers

Commanding Officer  
Contracting Officer  
1100 23<sup>rd</sup> Ave  
Port Hueneme CA 93043-4370

OPNAVINST 4535.1C  
18 Nov 2020

Commanding Officer  
Naval Facilities Engineering Logistics Center  
1000 23<sup>rd</sup> Ave  
Port Hueneme CA 93043-4301

Director Navy Crane Center  
Naval Facilities Engineering Command  
Norfolk Naval Shipyard Bldg 491  
Portsmouth VA 23709-6000

Note:

AP - Armed Forces Pacific;  
AE - Armed Forces Europe  
FPO - Fleet Post Office  
PSC - Postal Service Center

SAMPLE RANDOLPH-SHEPPARD ACT VENDING FACILITY  
ANNUAL REPORT

From: On-Site Official (Commander, Navy Region \_\_\_\_\_)  
To: Commander, Navy Installations Command, N92

Subj: VENDING FACILITY PROGRAM FOR THE BLIND ON FEDERAL PROPERTY  
(REPORT CONTROL SYMBOL 1270-ED-AN)

Ref: (a) OPNAVINST 4535.1C

1. Per the provisions of reference (a), the following report is submitted for the period 1 October 20\_\_\_\_ to 30 September 20\_\_\_\_:

a. Vending facility(ies) (separate vending facility(ies)) operated by the blind:

(1) Number currently operated and month and year each established: \_\_\_\_\_.

(2) Number disestablished this year: \_\_\_\_\_; Reason(s) for disestablishment: \_\_\_\_\_

b. Total number of applications for vending facility locations received this fiscal year from the State Licensing Agency (SLA) for the blind: \_\_\_\_\_. Of these,

(1) Number approved: \_\_\_\_\_.

(2) Number denied: \_\_\_\_\_.

(3) Number pending: \_\_\_\_\_.

(4) Number of application(s) pending from prior years: \_\_\_\_\_

c. Number of cafeterias operated under contract with the SLA for the blind: \_\_\_\_\_.

d. Total amount of vending machine income collected this fiscal year which is subject to the requirements for income sharing with the SLA for the blind: \_\_\_\_\_.

e. The amount of income collected (above) that was disbursed to the SLA: \_\_\_\_\_.

f. The amount of income collected (above) that was not disbursed: \_\_\_\_\_. Of this residual,

(1) The amount held in escrow: \_\_\_\_\_.



Subj: VENDING FACILITY PROGRAM FOR THE BLIND ON FEDERAL PROPERTY  
(REPORT CONTROL SYMBOL 1270-ED-AN)

(2) The amount not paid due to lack of funds: \_\_\_\_\_.

Signature of On Site Official  
or Designated Representative

SAMPLE

ANNUAL INTER-AGENCY REPORT ON STATE LICENSING AGENCY APPLICATIONS  
RECEIVED FOR ESTABLISHMENT OF VENDING FACILITIES ON FEDERAL  
PROPERTY AND AMOUNT OF VENDING MACHINE INCOME COLLECTED AND  
DISBURSED TO SLA

Fiscal Year: 20\_\_

Name of Federal Property: U.S. Navy Installations  
Managing Agency (Federal Property Managing Agency): Headquarters CNIC  
Federal Property Managing Agency Randolph-Sheppard Program Manager:

Phone Number:

PART I. SLA Applications for Permits

	Applications from SLA				
State	Number Pending from Prior Fiscal Year (FY)	Received During Current FY	Number Accepted	Number Denied	Number of Pending End of Current FY
U.S. Total					

PART II. SLA Applications for Cafeterias and other Contracts

	Applications from SLA				
State	Number Pending Prior FY	Received Current FY	Number Accepted (see Note1)	Number Denied (see Note 2)	Number of Pending End Current FY
U.S. Total					

Note 1: Provide separate lists of applications approved by location (i.e., building name, city, and state)

Note 2: Provide separate lists of applications denied by location (i.e., building name, city, and state). Also, include reason for denial, e.g., unfeasibility of site, or lack of funds or lack of qualified vendors.

Applications Approved:

Building Name	City	State

Applications Denied:

Building Name	City	State	Reason for Denial

**PART III. Vending Machine Income from Vending Machines under the Control of Federal Property Managing Agency**

STATE SLA	AMOUNT COLLECTED	AMOUNT DISBURSED	AMOUNT RETAINED BY FPMA SUBJECT TO:		
			\$3,000 MINIMUM EXCLUSION (INDIRECT COMPETITION)	INCOME SHARING FORMULA (50/30%) (INDIRECT COMPETITION)	PENDING DISBURSEMENT TO SLA
<b>U.S. Total</b>					

Note: Net income after deducting for expenses or commission paid to the Federal property managing agency by commercial vending concessionaires for those machines under the control of the Federal property managing agency. Report all income from Federal managing agency machines whether direct or indirect competition, including income from machines under employee associations and the like.

DO NOT REPORT INCOME FROM MACHINES ASSIGNED TO BLIND VENDORS