

(2) Commissions received by any DoD Component activity from a commercial vending firm that provides vending machines on DoD-controlled property.

(3) "Costs incurred" include costs of goods, including reasonable service and maintenance costs in accordance with customary business practices of commercial vending concerns, repair, cleaning, depreciation, supervisory and administrative personnel, normal accounting, and accounting for income-sharing.

Vendor. A blind licensee who is operating a vending facility on DoD-controlled property.

§ 260.4 Policy.

It is DoD policy that a DoD Component having accountability for real property shall extend priority on such property to the blind when implementing the Randolph-Sheppard Act, as set out in the following paragraphs:

(a) The blind shall be given priority in the establishment and operation of vending facilities.

(b) The blind shall be given priority in the award of contracts to operate cafeterias.

(c) In conjunction with acquisition or substantial alteration or renovation of a building, satisfactory sites shall be provided for operation of blind vending facilities.

(d) Specified income from vending machines operated on DoD-controlled property by a DoD Component either directly or by contract shall be given to State licensing agencies.

§ 260.5 Responsibilities.

(a) The Principal Deputy Under Secretary of Defense for Personnel and Readiness (PDUSD(P&R)), under the Under Secretary of Defense for Personnel and Readiness, shall establish policies and procedures and monitor the Vending Facility Program.

(b) The Heads of the DoD Components, in monitoring their respective programs, shall:

(1) Approve or disapprove State licensing agency applications for permits and the provision of satisfactory sites;

(2) Issue policies and procedures to designate and establish responsibilities of the on-site official;

(3) Suspend or terminate a permit to operate a vending facility after consulting with the PDUSD(P&R) where circumstances warrant.

(4) Ensure appropriate real property outgrants are accomplished in accordance with DoDI 4165.70, "Real Property Management,"¹ and consistent with the Randolph-Sheppard Act (20 U.S.C. 107) and the implementing regulations (34 CFR part 395).

(5) The On-Site Official shall be the point of contact with State licensing agencies and shall:

(i) Consult with State licensing agencies on articles and services to be provided;

(ii) Establish appropriate limitations on the location or operation of a vending facility upon finding that the granting of a priority under the Act would adversely affect the interests of the United States. The On-Site Official shall justify this limitation in writing through the Head of the DoD Component concerned and the PDUSD(P&R) to the Secretary of Education for determination of whether the limitation is warranted.

(iii) Notify State licensing agencies of acquisition or substantial alteration or renovation of property;

(iv) Negotiate with State licensing agencies on other matters and adhere to guidance provided in § 260.6 of this part.

§ 260.6 Procedures.

The DoD Components in control of the maintenance, operation, and protection of Federal property shall take necessary action to ensure the requirements set forth in this Section are implemented for these properties.

(a) The blind have a priority to operate vending facilities on DoD property, whenever feasible, in light of appropriate space and potential patronage. Implementation of this priority is not required when:

(1) The number of people using the property is or will be insufficient to support a vending facility; or

(2) The Secretary of Education determines that the limitation on the placement or operation of a vending facility

¹ Available from <http://www.dtic.mil/whs/directives/corres/html/416570.htm>.

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is warranted pursuant to 260.5(b)(5)(ii), which is binding on the DoD Component. Notice of the Secretary of Education's determination will be published in the FEDERAL REGISTER.

(b) Applications for permits by the State licensing agency to operate vending facilities (except cafeterias) on DoD-controlled property must be submitted in writing to the Head of the DoD Component concerned through the on-site official. When an application is not approved, the Head of the DoD Component concerned shall advise the State licensing agency in writing and shall indicate the reasons for the disapproval. Permits shall describe the location of the vending facility and shall be subject to the following requirements:

(1) The permit shall be issued in the name of the State licensing agency.

(2) The permit shall be issued for an indefinite period of time subject to suspension or termination upon failure to comply with agreed-upon terms. It shall be subject to termination by either party on 60 days' written notice to the other party, in cases of:

(i) Inactivation of the installation or activity.

(ii) Loss of use of a building or other facility housing the vending facility.

(iii) Change in the DoD Component's requirements for service.

(iv) Inability of the State licensing agency to continue to operate the vending facility.

(3) The permit shall provide:

(i) No charge shall be made by the DoD Component to the State licensing agency for normal repair and maintenance of the building, cleaning areas adjacent to the designated vending facility boundaries, or trash removal from a designated collection point (not to include any hazardous waste).

(ii) The State licensing agency shall be responsible for cleaning and maintaining the vending facility appearance and its security within the designated boundaries of such facility and for all costs of every kind in conjunction with vending facility equipment, merchandise, and other products to be sold, except as provided in paragraph (b)(3)(v) of this section. Neither party shall be responsible for loss or damage to the other's property, unless caused by its

acts or omissions. The State licensing agency shall also be responsible for the acts or omissions of the blind vendor, the vendor's employees, or agents.

(iii) Articles sold at such vending facilities may consist of newspapers, periodicals, publications, confections, tobacco products, foods, beverages, chances for any lottery authorized by State law and conducted by an agency of a State within such State, and other articles or services traditionally found in blind-operated vending facilities operated under 20 U.S.C. 107, as determined by the State licensing agency, in consultation with the on-site official, to be suitable for a particular location. Articles and services may be automatically or manually dispensed.

(iv) Vending facilities shall be operated in compliance with applicable Federal, state, interstate and local laws and regulations, including those concerning health and sanitation, the environment, and building codes.

(v) Installation, modification, relocation, removal, and renovation of vending facilities shall be subject to the prior approval of the on-site official and the State licensing agency. The initiating party shall pay the costs of installation, modification, removal, relocation, or renovation. In any case of suspension or termination of a permit to operate a vending facility on the basis of noncompliance by either party, the costs of removal from the building shall be borne by the non-complying party.

(4) The permit shall state that no charge shall be made to the State Licensing Authority for the cost of normal cleaning, maintenance, and repair of the building structure in and adjacent to the vending facility areas, and no charge shall be made to the DoD for the cost of sanitation and the maintenance of vending facilities and vending machines in an orderly condition at all times, and the installation, maintenance, repair, replacement, servicing, and removal of vending facility equipment.

(5) 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 State licensing agency, the on-site official shall, after coordinating with the

Head of the DoD Component, notify the State licensing agency of this deficiency in writing and request corrective action within a specified reasonable time. The notice shall indicate that failure to correct the deficiency shall result in temporary suspension or termination of the permit, as appropriate. Suspension or termination action shall be taken by the Head of the DoD Component concerned after consultation with the PDUSD(P&R).

(c) Any DoD Component-acquired (purchased, rented, leased, or constructed), substantially altered, or renovated building is required to have one or more satisfactory sites for a blind-operated vending facility, except as provided in paragraph (c)(1) of this section.

(1) A determination that a building contains a satisfactory site or sites is presumed if the State licensing agency and the on-site official consult and agree that the site or sites provided are satisfactory.

(i) The Heads of the DoD Components shall notify the appropriate State licensing agency² by certified or registered mail, return receipt requested, of buildings to be acquired or substantially altered or renovated. This notification shall be provided at least 60 days in advance of the intended acquisition date or the initiation of actual construction, alteration, or renovation. As a practical matter, the State licensing agency should be contacted early in the planning or design stage of a project. This notification shall:

(A) State that a satisfactory site(s) for the location and operation of a blind vending facility is (are) included in the plans for the building.

(B) Include a copy of a single line drawing indicating the proposed location of such site(s).

(C) Advise the State licensing agency that, subject to the approval of the DoD Component, it shall be offered the opportunity to select the location and type of vending facility to be operated by a blind vendor prior to completion of the final space layout of the building.

(ii) Advise that the State licensing agency must respond within 30 days to the DoD Component, acknowledging receipt of the correspondence from the DoD Component and indicating whether it is interested in establishing a vending facility and, if interested, signifying its agreement or alternate selection of a location and its selection of type of vending facility. A copy of the written notice to the State licensing agency and the State licensing agency's response, if any, shall be provided to the Secretary of Education.

(iii) If the State licensing agency's response to the DoD Component indicates it does not desire to establish and operate a vending facility and sets forth any specific basis other than the insufficiency of patrons to support a vending facility, or if the State licensing agency does not respond within 30 days, then a site meeting the anticipated needs of the DoD Component shall be incorporated. Each such site shall have a minimum of 250 square feet for sale of items and for storage of articles necessary for the operation of a vending facility.

(iv) If the State licensing agency indicates that the number of persons using the property is or will be insufficient to support a vending facility, then a satisfactory site to be operated under the auspices of the State licensing agency shall not be incorporated. The On-Site Official shall, through the Head of the DoD component, notify the Secretary of Education of the State licensing agency's response.

(2) The requirement to provide a satisfactory site shall not apply:

(i) When fewer than 100 Federal employees (as defined in §260.3 of this part) are located in the building during normal working hours; or

(ii) When the building contains fewer than 15,000 square feet to be used for Federal Government purposes and the Federal Government space is used to provide services to the general public.

(iii) The provisions of paragraphs (c)(2)(i) and (c)(2)(ii) of this section do not preclude arrangements under which blind vending facilities may be established in buildings of a size or with an employee population less than

²See the U.S. Department of Education Web site, Office of Special Education and Rehabilitative Services at <http://www.ed.gov>.

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that specified. For example, if a building is to be constructed that will contain only 30 Federal employees, upon agreement of the on-site official and the State licensing agency, the DoD Component may decide to provide a satisfactory site for a blind vending facility.

(3) When a DoD Component 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 operation of a vending facility would be in substantial direct competition with such restaurant or other food operation, the requirement to provide a satisfactory site does not apply.

(d) Vending machine income generated by the Department of Defense shall be shared with State licensing agencies as prescribed in paragraph (d)(1) of this section. The on-site official is responsible for collecting and accounting for such vending machine income (as defined in §260.3 of this part) and for ensuring compliance with the requirements of this paragraph.

(1) The vending machine income-sharing requirements are as follows:

(i) One hundred percent of the vending machine income from vending machines in direct competition with blind-operated vending facilities shall be provided to the State licensing agency.

(ii) Fifty percent of the vending machine income from vending machines not in direct competition with blind-operated vending facilities shall be provided to the State licensing agency.

(iii) Notwithstanding paragraph (d)(1)(ii) of this section, thirty percent of the vending machine income from vending machines not in direct competition with blind-operated vending facilities and located where at least fifty percent of the total hours worked on the premises occurs during other than normal working hours (as defined in §260.3 of this part) shall be provided to the State licensing agency.

(2) 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 subject to the concurrence of the State licensing agency.

(3) These vending machine income-sharing requirements do not apply to:

(i) Income from vending machines operated by or for the military exchanges or ships' store systems; or

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

(4) The payment to State licensing agencies under these income-sharing requirements must be made quarterly on a fiscal year basis.

(e) Pursuant to 34 CFR 395.37, whenever any State licensing agency for the blind determines that any DoD activity is failing to comply with the provisions of 20 U.S.C. 107 and all informal attempts to resolve the issues have been unsuccessful, the State licensing agency may file a complaint with the Secretary of Education.

§ 260.7 Information requirements.

Within 90 days after the end of each fiscal year, the DoD Components shall forward to the PDUSD(P&R) the total number of applications for vending facility locations received from State licensing agencies, the number accepted, the number denied, the number still pending, the total amount of vending machine income collected (as defined in §260.3 of this part, excluding income exempt from the income sharing requirements by §260.6(d)(3) of this part), and the amount of such vending machine income disbursed to State licensing agencies in each State. These reporting requirements have been assigned Report Control Symbol DD-P&R(A)2210, according to DoD 8910.1-M, "Department of Defense Procedures for Management of Information Requirements."³

PART 263—TRAFFIC AND VEHICLE CONTROL ON CERTAIN DEFENSE MAPPING AGENCY SITES

Sec.
263.1 Definitions.

³ Available from <http://www.dtic.mil/whs/directives/corres/pdf/891001m.pdf>.