



Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 1529 (as introduced 9-29-10)
Sponsor: Senator Mark C. Jansen
Committee: Commerce and Tourism

Date Completed: 11-2-10

CONTENT

The bill would amend the Management and Budget Act to do all of the following:

- Require the Department of Technology, Management, and Budget (DTMB) to purchase goods and services manufactured or provided by "community rehabilitation organizations", rather than by "sheltered workshops" in "work activity centers".**
- Exempt the procurement of goods and services from community rehabilitation organizations from competitive procurement requirements.**
- Rename the Committee on the Purchase of Goods and Services from Sheltered Workshops and Work Activity Centers, within the DTMB, as the "Committee on the Purchase of Goods and Services from Community Rehabilitation Organizations".**
- Require Committee members to be appointed by the Governor rather than the DTMB Director.**
- Revise some of the responsibilities of the Committee.**
- Refer to "community rehabilitation organizations" rather than "sheltered workshops" and "persons with a disability" rather "handicapped persons".**

Definitions

Currently, "sheltered workshop" means a charitable organization or institution conducted not for profit, but for the purpose of carrying out a recognized program of rehabilitation for handicapped workers, which provides those individuals with remunerative employment or other occupational rehabilitating activity of an educational or therapeutic nature. Under the bill, "community rehabilitation organization" would mean a nonprofit charitable organization or institution incorporated in Michigan that is operated for the purpose of carrying out a recognized program of employment and training services for people with disabilities.

The bill would delete the definition of "work activities center", which is a workshop, or a physically separated department of a workshop having an identifiable program and separate supervision and records, planned and designed exclusively to provide therapeutic activities for handicapped workers whose physical or mental impairment is so severe as to make their productive capacity inconsequential.

Preferred Status

Currently, the DTMB must purchase goods or services, or both, either manufactured or provided by sheltered workshops in work activity centers in Michigan. The bill would require instead that the Department purchase goods and services that were manufactured or provided by community rehabilitation organizations in Michigan.

The bill states: "To advance the employment of people with disabilities, community rehabilitation organizations shall have preferred status for the purposes of procurement in accord with" the Act. The DTMB's procurement of goods and services from community rehabilitation organizations would be exempt from the Act's other competitive procurement requirements and, to the extent possible, exempt from other competitive procurement statutes and executive orders.

Committee

The Act creates the Committee on the Purchase of Goods and Services from Sheltered Workshops and Work Activity Centers within the DTMB. The Committee must consist of six members identified in the Act and appointed by the DTMB Director. The bill instead would refer to the Committee on the Purchase of Goods and Services from Community Rehabilitation Organizations, and require the six members to be appointed by the Governor.

The Act specifies the duties and responsibilities of the Committee. The bill would require the Committee to meet as often as necessary to carry out its duties, but at least quarterly.

One of the Committee's duties is to aid in the identification of goods and services to be purchased by the DTMB from sheltered workshops and work activity centers. Under the bill, the Committee would have to identify and approve requests from community rehabilitation organizations to provide goods and services for purchase by the Department.

Currently, the Committee must establish eligibility criteria for participating sheltered workshops and work activity centers. The bill instead would require the Committee to establish eligibility criteria for participating community rehabilitation organizations, including criteria that demonstrated the ability to perform the requirements of the contract and establish that the majority of the direct labor hours required to fulfill the contract were performed by people with significant disabilities.

At least annually, the Committee must establish and review fair market prices for the goods and services to be purchased. Under the bill, this would have to be done in cooperation with the DTMB. The bill would define "fair market price" as the price established by the Committee for goods or services to be purchased from community rehabilitation organizations based upon one or more of the following:

- Available information from reliable market sources.
- A market survey conducted by a person designated by the Committee.
- Previous contract prices adjusted for market conditions.
- The range of bids from the most recent solicitation, including a determination of the median price, average price, and any market conditions that have changed since the most recent solicitation.
- Cost analysis.

MCL 18.1293-18.1297

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: Joe Carrasco

S0910\1529sa

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.