

# SENATE BILL No. 1529

September 29, 2010, Introduced by Senators JANSEN, NOFS, HUNTER, BASHAM, VAN  
WOERKOM, GARCIA, RICHARDVILLE, BIRKHOLZ, PAPPAGEORGE, McMANUS, JACOBS,  
KAHN, BROWN, ALLEN and KUIPERS and referred to the Committee on Commerce and Tourism.

A bill to amend 1984 PA 431, entitled  
"The management and budget act,"  
by amending sections 293, 294, 295, 296, and 297 (MCL 18.1293,  
18.1294, 18.1295, 18.1296, and 18.1297).

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 293. As used in this section and sections 294 to 297:

2       (a) "Committee" means the committee on the purchase of goods  
3 and services from ~~sheltered workshops and work activity centers~~  
4 **COMMUNITY REHABILITATION ORGANIZATIONS** created in section 295.

5       (b) ~~"Sheltered workshop"~~ **"COMMUNITY REHABILITATION**  
6 **ORGANIZATION"** means a **NONPROFIT** charitable organization or  
7 institution ~~conducted not for profit, but~~ **INCORPORATED IN THIS**

1 STATE THAT IS OPERATED for the purpose of carrying out a recognized  
2 program of **EMPLOYMENT AND TRAINING SERVICES FOR PEOPLE WITH**  
3 **DISABILITIES.** ~~rehabilitation for handicapped workers, which~~  
4 ~~provides those individuals with remunerative employment or other~~  
5 ~~occupational rehabilitating activity of an educational or~~  
6 ~~therapeutic nature.~~

7 ~~—— (c) "Work activities center" means a workshop, or a physically~~  
8 ~~separated department of a workshop having an identifiable program~~  
9 ~~and separate supervision and records, planned and designed~~  
10 ~~exclusively to provide therapeutic activities for handicapped~~  
11 ~~workers whose physical or mental impairment is so severe as to make~~  
12 ~~their productive capacity inconsequential. Therapeutic activities~~  
13 ~~include custodial activities, such as activities where the focus is~~  
14 ~~on teaching the basic skills of living, and any purposeful activity~~  
15 ~~so long as work or production is not the main purpose.~~

16 (C) "FAIR MARKET PRICE" MEANS THE PRICE ESTABLISHED BY THE  
17 COMMITTEE FOR GOODS OR SERVICES TO BE PURCHASED FROM COMMUNITY  
18 REHABILITATION ORGANIZATIONS BASED UPON 1 OR MORE OF THE FOLLOWING:

19 (i) AVAILABLE INFORMATION FROM RELIABLE MARKET SOURCES.

20 (ii) A MARKET SURVEY CONDUCTED BY A PERSON DESIGNATED BY THE  
21 COMMITTEE.

22 (iii) PREVIOUS CONTRACT PRICES ADJUSTED FOR MARKET CONDITIONS.

23 (iv) THE RANGE OF BIDS FROM THE MOST RECENT SOLICITATION,  
24 INCLUDING A DETERMINATION OF THE MEDIAN PRICE, AVERAGE PRICE, AND  
25 ANY MARKET CONDITIONS THAT HAVE CHANGED SINCE THE MOST RECENT  
26 SOLICITATION.

27 (v) COST ANALYSIS.

1           Sec. 294. (1) TO ADVANCE THE EMPLOYMENT OF PEOPLE WITH  
 2   DISABILITIES, COMMUNITY REHABILITATION ORGANIZATIONS SHALL HAVE  
 3   PREFERRED STATUS FOR THE PURPOSES OF PROCUREMENT IN ACCORD WITH THE  
 4   PROVISIONS OF THIS SECTION. THE DEPARTMENT'S PROCUREMENTS OF GOODS  
 5   AND SERVICES FROM COMMUNITY REHABILITATION ORGANIZATIONS ARE EXEMPT  
 6   FROM OTHER COMPETITIVE PROCUREMENT REQUIREMENTS OF THIS ACT AND, TO  
 7   THE EXTENT POSSIBLE, EXEMPT FROM OTHER COMPETITIVE PROCUREMENT  
 8   STATUTES AND EXECUTIVE ORDERS.

9           (2) The department shall purchase goods ~~or~~ AND services ~~, or~~  
 10 ~~both, either~~ THAT ARE manufactured or provided by sheltered  
 11 ~~workshops and work activity centers~~ COMMUNITY REHABILITATION  
 12 ORGANIZATIONS in this state pursuant to sections 293 to 297.

13           Sec. 295. The committee on the purchase of goods and services  
 14 from ~~sheltered workshops and work activity centers~~ COMMUNITY  
 15 REHABILITATION ORGANIZATIONS is created within the department and  
 16 shall consist of 6 members appointed by the ~~director~~ GOVERNOR. The  
 17 members shall serve for a term of 2 years. The ~~members of the~~  
 18 committee shall consist of 1 member from the purchasing division of  
 19 the department, 1 member from ~~the bureau of rehabilitation within~~  
 20 ~~the department of education,~~ MICHIGAN REHABILITATION SERVICES, 1  
 21 member from the commission on ~~employment of the handicapped within~~  
 22 ~~the department of labor~~ DISABILITY CONCERNS, 1 member who shall be  
 23 the chairperson ~~from~~ OF a STATEWIDE nonprofit corporation concerned  
 24 with COMMUNITY rehabilitation facilities ORGANIZATIONS, and 2  
 25 members at large. Members of the committee shall serve without  
 26 compensation.

27           Sec. 296. The committee shall do all of the following:

1           (A) MEET AS OFTEN AS NECESSARY, BUT AT LEAST QUARTERLY, TO  
2 CARRY OUT ITS DUTIES.

3           (B) ~~(a) Coordinate and monitor the implementation of sections~~  
4 ~~293 to 297.~~

5           (C) ~~(b) Aid in the identification of~~ IDENTIFY AND APPROVE  
6 REQUESTS FROM COMMUNITY REHABILITATION ORGANIZATIONS TO PROVIDE  
7 goods and services ~~to be purchased~~ FOR PURCHASE by the department.  
8 ~~from sheltered workshops and work activity centers.~~

9           (D) ~~(c) Establish eligibility criteria for participating~~  
10 ~~sheltered workshops and work activity centers.~~ COMMUNITY  
11 REHABILITATION ORGANIZATIONS, INCLUDING CRITERIA THAT DEMONSTRATE  
12 THE ABILITY TO PERFORM THE REQUIREMENTS OF THE CONTRACT AND  
13 ESTABLISH THAT THE MAJORITY OF THE DIRECT LABOR HOURS REQUIRED TO  
14 FULFILL THE CONTRACT ARE PERFORMED BY PERSONS WITH SIGNIFICANT  
15 DISABILITIES.

16           (E) ~~(d) At least annually, IN COOPERATION WITH THE DEPARTMENT,~~  
17 establish and review fair market prices for goods and services to  
18 be purchased from COMMUNITY REHABILITATION ORGANIZATIONS. ~~sheltered~~  
19 ~~workshops and work activity centers.~~

20           (F) ~~(e) Establish procedures regarding the functions and~~  
21 operations of the committee.

22           (G) ~~(f) Prepare an annual report depicting the activities~~  
23 related to this section ~~which shall minimally include~~ THAT  
24 INCLUDES, AT A MINIMUM, all of the following:

25           (i) A summary of products and services purchased by the  
26 department from COMMUNITY REHABILITATION ORGANIZATIONS. ~~sheltered~~  
27 ~~workshops and work activity centers.~~

1           (ii) The names of ~~sheltered workshops and work activity centers~~  
2 **COMMUNITY REHABILITATION ORGANIZATIONS** participating.

3           (iii) The impact of this section upon production, work  
4 stabilization, program development, and **THE** number of ~~handicapped~~  
5 persons **WITH A DISABILITY** served by **COMMUNITY REHABILITATION**  
6 **ORGANIZATIONS.** ~~sheltered workshops and work activity centers.~~

7           (iv) An indication of the areas to which and the amounts for  
8 which the budget of the committee was allocated.

9           **(H)** ~~(g)~~ At least annually conduct a review of the prices paid  
10 by the department for the goods and services provided by ~~sheltered~~  
11 ~~workshops and work activity centers~~ **COMMUNITY REHABILITATION**  
12 **ORGANIZATIONS** and make any adjustments necessary to establish new  
13 fair market prices.

14           Sec. 297. (1) For the purposes of ~~initially~~ identifying those  
15 goods or services or both to be provided by ~~sheltered workshops and~~  
16 ~~work activity centers~~ **COMMUNITY REHABILITATION ORGANIZATIONS**, first  
17 priority of selection shall be given to those goods or services or  
18 both currently purchased by the department from commercial  
19 businesses outside this state. ~~Following the first year and~~  
20 ~~thereafter, priority of selection~~ **NEXT SELECTION PRIORITY** shall be  
21 given **TO** those goods or services or both purchased from commercial  
22 businesses within this state. If upon review of the ~~current~~  
23 **PREVIOUS** bids or fair market price of both priorities of goods or  
24 services or both, the committee finds that ~~sheltered workshops and~~  
25 ~~work activity centers~~ **COMMUNITY REHABILITATION ORGANIZATIONS** can  
26 provide equal goods or services to the department within ~~current~~  
27 **PREVIOUS** bids or fair market price, then those goods or services or

1 both shall be set aside for ~~the~~ exclusive provision by ~~sheltered~~  
2 ~~workshops and work activity centers~~ **COMMUNITY REHABILITATION**  
3 **ORGANIZATIONS** for purchase by the purchasing division of the  
4 department.

5 (2) All goods and services purchased by the department from  
6 ~~sheltered workshops and work activity centers~~ **COMMUNITY**  
7 **REHABILITATION ORGANIZATIONS** shall meet the specifications  
8 regarding quality, function, and quantity established and published  
9 by the department.

10 (3) This section does not prevent ~~sheltered workshops and work~~  
11 ~~activity centers~~ **COMMUNITY REHABILITATION ORGANIZATIONS** from  
12 selling goods and services to other governmental agencies or  
13 private businesses of their choosing.