

Act No. 372
Public Acts of 2010
Approved by the Governor
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STATE OF MICHIGAN
95TH LEGISLATURE
REGULAR SESSION OF 2010

Introduced by Senators Jansen, Nofs, Hunter, Basham, Van Woerkom, Garcia, Richardville, Birkholz, Pappageorge, McManus, Jacobs, Kahn, Brown, Allen and Kuipers

ENROLLED SENATE BILL No. 1529

AN ACT to amend 1984 PA 431, entitled "An act to prescribe the powers and duties of the department of management and budget; to define the authority and functions of its director and its organizational entities; to authorize the department to issue directives; to provide for the capital outlay program; to provide for the leasing, planning, constructing, maintaining, altering, renovating, demolishing, conveying of lands and facilities; to provide for centralized administrative services such as purchasing, payroll, record retention, data processing, and publishing and for access to certain services; to provide for a system of internal accounting and administrative control for certain principal departments; to provide for an internal auditor in certain principal departments; to provide for certain powers and duties of certain state officers and agencies; to codify, revise, consolidate, classify, and add to the powers, duties, and laws relative to budgeting, accounting, and the regulating of appropriations; to provide for the implementation of certain constitutional provisions; to create funds and accounts; to make appropriations; to prescribe remedies and penalties; to rescind certain executive reorganization orders; to prescribe penalties; and to repeal certain acts and parts of acts," 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:

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

(a) "Committee" means the committee on the purchase of goods and services from community rehabilitation organizations created in section 295.

(b) "Community rehabilitation organization" means a nonprofit charitable organization or institution incorporated in this state that is operated for the purpose of carrying out a recognized program of employment and training services for people with disabilities.

(c) "Fair market price" means the price established by the committee for goods or services to be purchased from community rehabilitation organizations based upon 1 or more of the following:

- (i) Available information from reliable market sources.
- (ii) A market survey conducted by a person designated by the committee.
- (iii) Previous contract prices adjusted for market conditions.

(iv) 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.

(v) Cost analysis.

(vi) Other methods as determined by the committee.

Sec. 294. (1) To advance the employment of people with disabilities, community rehabilitation organizations shall have preferred status for the purposes of procurement in accord with the provisions of this section. The department's procurements of goods and services from community rehabilitation organizations are exempt from other competitive procurement requirements of this act and, to the extent possible, exempt from other competitive procurement statutes and executive orders. This subsection does not prohibit the department from applying competitive bid requirements to select among community rehabilitation organizations for the purchase of goods and services.

(2) The department shall purchase goods and services that are manufactured or provided by community rehabilitation organizations in this state pursuant to sections 293 to 297.

Sec. 295. The committee on the purchase of goods and services from community rehabilitation organizations is created within the department and shall consist of 6 members appointed by the governor. The members shall serve for a term of 2 years. The committee shall consist of 1 member from the purchasing division of the department, 1 member from Michigan rehabilitation services, 1 member from the commission on disability concerns, 1 member, who shall serve as the chairperson of the committee, from a statewide nonprofit corporation concerned with community rehabilitation organizations, and 2 members at large. Members of the committee shall serve without compensation.

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

(a) Meet as often as necessary, but at least quarterly, to carry out its duties.

(b) Coordinate and monitor the implementation of sections 293 to 297.

(c) Identify, review, and recommend approval or disapproval to the state administrative board of requests from community rehabilitation organizations to provide goods and services for purchase by the department.

(d) Establish eligibility criteria for participating community rehabilitation organizations, including criteria that demonstrate the ability to perform the requirements of the contract and establish that the majority of the direct labor hours required to fulfill the contract are performed by individuals with significant disabilities as that phrase is defined in 29 USC 705(21)(A).

(e) At least annually, in cooperation with the department, establish and review fair market prices and methods for establishing fair market prices for goods and services to be purchased from community rehabilitation organizations.

(f) Establish procedures regarding the functions and operations of the committee.

(g) Prepare an annual report depicting the activities related to this section that includes, at a minimum, all of the following:

(i) A summary of products and services purchased by the department from community rehabilitation organizations.

(ii) The names of community rehabilitation organizations participating.

(iii) The impact of this section upon production, work stabilization, program development, and the number of persons with a disability served by community rehabilitation organizations.

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

(h) At least annually conduct a review of the prices paid by the department for the goods and services provided by community rehabilitation organizations and make any adjustments necessary to establish new fair market prices.

Sec. 297. (1) For the purposes of identifying those goods or services or both to be provided by community rehabilitation organizations, first priority of selection shall be given to those goods or services or both currently purchased by the department from commercial businesses outside this state. Next selection priority shall be given to those goods or services or both purchased from commercial businesses within this state. If upon review of the current bids or fair market price of both priorities of goods or services or both, the committee finds that community rehabilitation organizations can provide equal goods or services to the department within current bids or fair market price, then those goods or services or both shall be set aside for exclusive provision by community rehabilitation organizations for purchase by the purchasing division of the department.

(2) All goods and services purchased by the department from community rehabilitation organizations shall meet the specifications regarding quality, function, and quantity established and published by the department.

(3) This section does not prevent community rehabilitation organizations from selling goods and services to other governmental agencies or private businesses of their choosing.

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate

Richard J. Brown

Clerk of the House of Representatives

Approved

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Governor