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HOUSE BILL 1721

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State of Washington

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By Representatives Hymes, Sheldon, Hankins, Scott, Mitchell, Basich, Quall, Sehlin, Reams, Tokuda, Cooke, Morris, L. Thomas, Goldsmith and Schoesler

Read first time 02/06/95. Referred to Committee on Government Operations.

1 AN ACT Relating to products and services provided by community  
2 rehabilitation programs; amending RCW 43.19.520, 43.19.525, 43.19.530,  
3 39.23.005, 39.23.010, and 39.23.020; reenacting and amending RCW  
4 82.04.385; and creating a new section.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 **Sec. 1.** RCW 43.19.520 and 1974 ex.s. c 40 s 1 are each amended to  
7 read as follows:

8 It is the intent of the legislature to ((encourage)) require state  
9 agencies and departments to purchase products and/or services  
10 manufactured or provided by ((sheltered workshops and programs of the  
11 department of social and health services which)) community  
12 rehabilitation programs that operate facilities serving ((the  
13 handicapped)) severely disabled and disadvantaged citizens.

14 The legislature recognizes the need to assure a consistent market  
15 for the products and services provided by community rehabilitation  
16 programs, thereby reducing the forced and often sole dependence on  
17 public welfare and providing transferrable employment, skills, and  
18 income opportunities for severely disabled and disadvantaged citizens  
19 who want and are able to work and contribute to their economy. The

1 legislature intends to provide a dignified means of coparticipation by  
2 the severely disabled with all taxpayers in Washington state in easing  
3 public subsidy for their support. Providing access to state agencies  
4 and departments enhances the ability of community rehabilitation  
5 programs to provide long-term employment and training programs for  
6 severely disabled and disadvantaged citizens.

7       **Sec. 2.** RCW 43.19.525 and 1974 ex.s. c 40 s 2 are each amended to  
8 read as follows:

9       As used in RCW 43.19.520 and 43.19.530 (~~the term "sheltered~~  
10 ~~workshops" shall have~~) "community rehabilitation programs" has the  
11 meaning ascribed to it by RCW 82.04.385 (~~and "programs of the~~  
12 ~~department of social and health services" shall mean the group training~~  
13 ~~homes and day training centers defined in RCW 72.33.800~~)).

14       **Sec. 3.** RCW 43.19.530 and 1977 ex.s. c 10 s 2 are each amended to  
15 read as follows:

16       The state agencies and departments (~~are hereby authorized to~~)  
17 shall purchase products and/or services manufactured or provided by  
18 (~~sheltered workshops and programs of the department of social and~~  
19 ~~health services~~) community rehabilitation programs. Such purchases  
20 shall be at the fair market price of such products and services as  
21 determined by the (~~division of purchasing of the department of general~~  
22 ~~administration~~) state agency or department purchasing authority,  
23 referred to in this section as "purchaser". To determine the fair  
24 market price the (~~division~~) purchaser shall (~~use the last comparable~~  
25 ~~bid on the products and/or services or in the alternative the last~~  
26 ~~price paid for the products and/or services. The increased cost of~~  
27 ~~labor, materials, and other documented costs since the last comparable~~  
28 ~~bid or the last price paid are additional cost factors which shall be~~  
29 ~~considered in determining fair market price~~) establish a reasonable  
30 price that recovers for the community rehabilitation program the cost  
31 of raw materials, labor, overhead, delivery costs, and an amount left  
32 in reserve for inventory and equipment replacement. The purchaser may  
33 consider such factors as previous responsible bids, similar bids by  
34 federal agencies under the authorized federal program, and community  
35 rehabilitation program actual costs in determining the price of  
36 products and services. Upon the establishment of the fair market price  
37 as provided for in this section the (~~division~~) purchaser is hereby

1 empowered to negotiate directly with (~~sheltered workshops or officials~~  
2 ~~in charge of the programs of the department of social and health~~  
3 ~~services~~) community rehabilitation programs for the purchase of the  
4 products or services.

5 **Sec. 4.** RCW 39.23.005 and 1975 c 20 s 1 are each amended to read  
6 as follows:

7 It is the intent of the legislature to (~~encourage~~) require  
8 municipalities to purchase products and/or services manufactured or  
9 provided by (~~sheltered workshops and programs of the department of~~  
10 ~~social and health services which~~) community rehabilitation programs  
11 that operate facilities serving (~~the handicapped~~) severely disabled  
12 and disadvantaged citizens.

13 **Sec. 5.** RCW 39.23.010 and 1975 c 20 s 2 are each amended to read  
14 as follows:

15 As used in RCW 39.23.005 and 39.23.020 (~~the term "sheltered~~  
16 ~~workshops" shall have~~) "community rehabilitation programs" has the  
17 meaning ascribed to it by RCW 82.04.385 (~~and "programs of the~~  
18 ~~department of social and health services" shall mean the group training~~  
19 ~~homes and day training centers defined in RCW 72.33.800 and~~  
20 ~~"municipality" shall have the meaning ascribed to it by RCW~~  
21 ~~39.04.010~~)).

22 **Sec. 6.** RCW 39.23.020 and 1977 ex.s. c 10 s 1 are each amended to  
23 read as follows:

24 Municipalities (~~are hereby authorized to~~) shall purchase products  
25 and/or services manufactured or provided by (~~sheltered workshops and~~  
26 ~~programs of the department of social and health services~~) community  
27 rehabilitation programs. Such purchases shall be at the fair market  
28 price of such products and services as determined by a municipality.  
29 To determine the fair market price a municipality shall (~~use the last~~  
30 ~~comparable bid on the products and/or services or in the alternative~~  
31 ~~the last price paid for the products and/or services. The increased~~  
32 ~~cost of labor, materials, and other documented costs since the last~~  
33 ~~comparable bid or the last price paid are additional cost factors which~~  
34 ~~shall be considered in determining fair market price~~) establish a  
35 reasonable process that recovers for the community rehabilitation  
36 program the cost of raw materials, labor overhead, delivery costs, and

1 an amount left in reserve for inventory and equipment replacement. The  
2 municipality may consider such factors as previous responsible bids,  
3 similar bids by federal agencies under the authorized federal program,  
4 and community rehabilitation program actual costs in determining the  
5 price of products and services. Upon the establishment of the fair  
6 market price as provided for in this section a municipality is hereby  
7 empowered to negotiate directly with (~~sheltered workshops or officials~~  
8 ~~in charge of the programs of the department of social and health~~  
9 ~~services~~)) community rehabilitation programs for the purchase of the  
10 products or services.

11 **Sec. 7.** RCW 82.04.385 and 1988 c 176 s 915 and 1988 c 13 s 1 are  
12 each reenacted and amended to read as follows:

13 This chapter shall not apply to income received from the department  
14 of social and health services for the cost of care, maintenance,  
15 support, and training of persons with developmental disabilities at  
16 nonprofit group training homes as defined by chapter 71A.22 RCW or to  
17 the business activities of nonprofit organizations from the operation  
18 of (~~sheltered workshops~~)) community rehabilitation programs. For the  
19 purposes of this section, "the operation of (~~sheltered workshops~~))  
20 community rehabilitation programs" means performance of business  
21 activities of any kind on or off the premises of such nonprofit  
22 organizations which are performed for the primary purpose of (1)  
23 providing gainful employment or rehabilitation services to the  
24 handicapped as an interim step in the rehabilitation process for those  
25 who cannot be readily absorbed in the competitive labor market or  
26 during such time as employment opportunities for them in the  
27 competitive labor market do not exist; or (2) providing evaluation and  
28 work adjustment services for handicapped individuals.

29 NEW SECTION. **Sec. 8.** (1) The department of general administration  
30 shall establish a state use advisory committee composed of equal  
31 representation from purchasers, community rehabilitation programs, and  
32 other appropriate parties for the purpose of reviewing the intent and  
33 application of this act and reporting such findings and recommendations  
34 to the legislature by December 1, 1996. Particular issues that should  
35 be addressed in the report include the number of severely disabled and  
36 disadvantaged citizens employed, establishing fair market price, and  
37 the impact on private businesses and community rehabilitation programs.

1 (2) This section shall expire December 31, 1996.

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