

SENATE BILL REPORT

SHB 1813

As Reported By Senate Committee On:
Government Operations & Elections, March 25, 2003

Title: An act relating to employment opportunities for people with disabilities.

Brief Description: Expanding employment opportunities for people with disabilities.

Sponsors: House Committee on State Government (originally sponsored by Representatives Miloscia, Boldt, Linville, Edwards, Romero, Cody, McDermott, Haigh, Hunt, Moeller, Ruderman, Santos, Rockefeller, Simpson, Conway, Wood and Kenney).

Brief History:

Committee Activity: Government Operations & Elections: 3/25/03 [DP].

SENATE COMMITTEE ON GOVERNMENT OPERATIONS & ELECTIONS

Majority Report: Do pass.

Signed by Senators Roach, Chair; Stevens, Vice Chair; Horn, Kastama and McCaslin.

Staff: Mac Nicholson (786-7445)

Background: The Department of General Administration (GA) develops and administers contracts for goods and services on behalf of state agencies. GA delegates purchase authority for certain goods and services to state agencies, provided the agencies follow established laws, regulations and policies.

All purchases, whether by GA or the agency itself, must be made using a competitive bidding process. A formal sealed bidding process must be used for purchases of \$35,000 or more, except in various specified circumstances. Purchases from \$3,000 to \$35,000 may be made under a less formal competitive bidding process using solicited quotations from at least three vendors. Purchases below \$3,000 may be made without using a competitive bidding process. These dollar figures are adjusted for inflation every two years. Generally, in a competitive bidding process, the agency must award the contract to the lowest responsible bidder.

State agencies are authorized to negotiate directly with sheltered workshops and programs of the Department of Social and Health Services (DSHS) to purchase products and services manufactured or provided by such entities. These purchases are to be at the fair market price, as determined by GA using the last comparable bid or price paid for similar products or services and increases in labor costs since the last price was paid.

Summary of Bill: A pilot project is created to enhance opportunities for disadvantaged persons to maximize their opportunities for employment and career advancement. This pilot project expires December 31, 2007.

Definitions: A vendor in good standing (VIG) is a business owned and operated by persons with disabilities, or a community rehabilitation program, that has not had a breach of contract due to quality or performance provisions and has achieved or made progress in enhancing employment opportunities for disadvantaged persons and persons with disabilities.

A business owned and operated by persons with disabilities means a for-profit business certified by the Office of Minority and Women's Business Enterprises as being owned and controlled by persons who have been determined eligible for disability-related benefits by DSHS, the U.S. Department of Veterans Affairs, the Social Security Administration, or the Federal Vocational Rehabilitation Act.

A community rehabilitation program is a registered nonprofit corporation that is recognized by DSHS as eligible to do business as a community rehabilitation program.

Process: GA is required to compile and maintain a list of vendors in good standing (VIG) and the products and services they offer and disseminate the list to state agencies. At least once per year GA must notify each VIG of all purchase contracts that GA anticipates either renewing or awarding in the next 12 months. State agencies must then solicit a bid from at least one VIG on this list prior to awarding a purchase contract in excess of \$3,000. The agency is not required to award the contract to the lowest responsible bidder that is a VIG, but the agency must at least negotiate with that VIG.

An entity seeking to be listed as a VIG must provide conclusive evidence that, during the previous 12 months, it has met at least half of the established measurable goals regarding its work force, or has improved with respect to that category from one year ago. An advisory subcommittee, appointed by the Governor's Committee on Disability Issues and Employment, is to determine if entities seeking to qualify as VIGs have achieved or made progress toward enhancing employment opportunities for disadvantaged persons and persons with disabilities.

The Commissioner of the Department of Employment Security is authorized to adopt rules to implement the program, including establishment of an application fee to be paid by each entity seeking to establish or renew qualification as a VIG. The fee must be limited to not more than \$500, not more than 2 percent of the face amount of any contract awarded, or both. Fees established are to recover costs incurred by GA and the subcommittee.

State agencies are no longer authorized to purchase products and services from sheltered workshops without going through a competitive bidding process. Rather, state agencies are authorized to make purchases from community rehabilitation programs and from businesses owned and operated by persons with disabilities.

GA and the Governor's Committee on Disability Issues and Employment must prepare and issue a report before December 31, 2006, describing the effect of this act on enhancing employment opportunities for disadvantaged persons and persons with disabilities.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: This bill will increase employment opportunities for disabled individuals. The bill has the support of all the stakeholders. The program will pay for itself and mirrors the program that already exists at the federal level.

Testimony Against: None.

Testified: PRO: Rep. Mark Miloscia, prime sponsor; Toby Olson, Governor's Committee on Disability Issues and Employment; Scott Matsuda, Northwest Center and Rehabilitation Enterprises of WA; Mark Landoneau, Lighthouse For The Blind.