

**HB324**

# HOUSE COMMITTEE REPORT

FURTHER REFERRAL

(11)

Date Referred: February 13, 1992

Date of Committee Action: 3/12/92

The FINANCE Committee considered:

HB 324

HOUSE BILL NO. 324

DISABLED BIDDER PROCUREMENT PREFERENCE

"An Act relating to state procurement preferences for persons with a disability, for persons who hire persons with a disability, and for employment programs for persons with a disability; and providing for an effective date."

**RECOMMENDATIONS:**

be replaced with HB 324 (FIN)  the same title  a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the \_\_\_\_\_ Committee

ADOPTS: \_\_\_\_\_ letter of Intent

ATTACHES NEW FISCAL NOTE(S): \_\_\_\_\_ (Dept)

APPROVES PREVIOUS: \_\_\_\_\_ (Dept/Date)

fiscal impact \_\_\_\_\_

fiscal note(s) Admin 2/13/92

zero fiscal note Admin.

zero fiscal note(s) \_\_\_\_\_

SIGNING <u>DO PASS</u>	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Mark Boyer</i> Boyer	X	<i>Mike Navarre</i> NAVARRE		✓	
<i>Tan Brown</i> BROWN	X	<i>Damon Barnes</i> Barnes		X	
<i>John Kippenen</i> Kippenen	✓	<i>Phillips</i> Phillips		X	
<i>George Jacko</i> JACKO	✓	<i>Ronald Larson</i> Larson		⊙	
		<i>EP Mulvaney</i> Mulvaney		X	

*Mike Navarre* NAVARRE  
 LO - CHAIRMAN'S SIGNATURE *EP Mulvaney* MULVANEY

## CS FOR HOUSE BILL NO. 324 (FINANCE)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:

Referred:

Sponsor(s): REPRESENTATIVES ELLIS, Brown, Bruckman, Choquette

## A BILL

## FOR AN ACT ENTITLED

1 "An Act relating to state procurement preferences for persons with a disability, for persons  
 2 who hire persons with a disability, and for employment programs for persons with a  
 3 disability; and providing for an effective date."

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

5 \* Section 1. AS 36.30.170(a) is amended to read:

6 (a) Except as provided in (b) - (h) [(b), (c), AND (d)] of this section, the procurement  
 7 officer shall award a contract based on the solicited bids with reasonable promptness by written  
 8 notice to the lowest responsible and responsive bidder whose bid conforms in all material  
 9 respects to the requirements and criteria set out in the invitation to bid.

10 \* Sec. 2. AS 36.30.170(c) is amended to read:

11 (c) Except as otherwise provided under (e) or (f) of this section, if [IF] a bidder  
 12 qualifies under (b) of this section as an Alaska bidder, is offering services through an  
 13 employment program, and is the lowest responsible and responsive bidder with a bid that is not  
 14 more than 15 [10] percent higher than the lowest bid [OF A NONRESIDENT], the procurement

1 officer shall award the contract to that bidder. This subsection does not give a bidder who  
2 would otherwise qualify for a preference under this subsection a preference over another  
3 bidder who would otherwise qualify for a preference under this subsection.

4 \* Sec. 3. AS 36.30.170 is amended by adding new subsections to read:

5 (e) If a bidder qualifies under (b) of this section as an Alaska bidder, is a sole  
6 proprietorship owned by an individual who is a person with a disability, and is the lowest  
7 responsible and responsive bidder with a bid that is not more than 10 percent higher than the  
8 lowest bid, the procurement officer shall award the contract to that bidder. This subsection does  
9 not give a bidder who would otherwise qualify for a preference under this subsection a preference  
10 over another bidder who would otherwise qualify for a preference under this subsection or (f) of  
11 this section.

12 (f) If a bidder qualifies under (b) of this section as an Alaska bidder, if 50 percent or  
13 more of the bidder's employees at the time the bid is submitted are persons with a disability, and  
14 if the bidder is the lowest responsible and responsive bidder with a bid that is not more than 10  
15 percent higher than the lowest bid, the procurement officer shall award the contract to that bidder.  
16 The contract must contain a promise by the bidder that the percentage of the bidder's employees  
17 who are persons with a disability will remain at 50 percent or more during the contract term.  
18 This subsection does not give a bidder who would otherwise qualify for a preference under this  
19 subsection a preference over another bidder who would otherwise qualify for a preference under  
20 this subsection or (e) of this section.

21 (g) The division of vocational rehabilitation in the Department of Education shall add to  
22 its current list of qualified employment programs a list of individuals who qualify as persons with  
23 a disability under (e) of this section and of persons who qualify under (f) of this section as  
24 employers with 50 percent or more of their employees being persons with disabilities. A person  
25 must be on this list at the time the bid is opened in order to qualify for a preference under (e)  
26 or (f) of this section.

27 (h) A preference under (c), (e), or (f) of this section is in addition to any other preference  
28 for which the bidder qualifies, including the preference under (b) of this section.

29 (i) In this section, "person with a disability" means an individual

30 (1) who has a severe physical or mental disability that seriously limits one or  
31 more functional capacities in terms of employability; in this paragraph, "functional capacities"

1 means mobility, communication, self-care, self-direction, interpersonal skills, work tolerance, or  
2 work skills;

3 (2) whose physical or mental disability

4 (A) results from amputation, arthritis, autism, blindness, burn injury,  
5 cancer, cerebral palsy, cystic fibrosis, deafness, head injury, heart disease, hemiplegia,  
6 hemophilia, respiratory or pulmonary dysfunction, mental retardation, mental illness,  
7 multiple sclerosis, muscular dystrophy, musculo-skeletal disorders, neurological disorders,  
8 paraplegia, quadriplegia, other spinal cord conditions, sickle cell anemia, specific learning  
9 disability, or end stage renal disease; in this subparagraph, "neurological disorders"  
10 include stroke and epilepsy; or

11 (B) is a disability or combination of disabilities that are not identified in  
12 (A) of this paragraph and that are determined on the basis of an evaluation of  
13 rehabilitation potential to cause substantial functional limitation comparable to a disability  
14 identified in (A) of this paragraph; and

15 (3) whose vocational rehabilitation can be expected to require multiple vocational  
16 rehabilitation services over an extended period of time.

17 \* Sec. 4. AS 36.30.250(b) is amended to read:

18 (b) In determining whether a proposal is advantageous to the state, the procurement  
19 officer shall take into account, in accordance with regulations of the commissioner, whether the  
20 offeror qualifies as an Alaska bidder under AS 36.30.170(b), [OR] is offering the service of an  
21 employment program, or qualifies for a preference under AS 36.30.170(e) or (f).

22 \* Sec. 5. AS 36.30.900 is amended to read:

23 Sec. 36.30.900. PRODUCT PREFERENCES. This chapter does not modify  
24 AS 36.15.010 and 36.15.020 regarding preference for Alaska forest products, or AS 36.15.050  
25 and 36.15.060 regarding preference for Alaska agricultural and fisheries products, except as  
26 provided in AS 36.30.170(b), [AND] (c), and (e) - (h), and 36.30.339.

27 \* Sec. 6. This Act applies to procurements that begin on or after the effective date of this Act.

28 \* Sec. 7. This Act takes effect immediately under AS 01.10.070(c).

FISCAL NOTE

STATE OF ALASKA  
1992 LEGISLATIVE SESSION

BILL NO. CSHB 324 (Sta)

Revision Date: 2/18/92 Department Affected: Administration

Title: An Act relating to state procure-ment preferences for persons with ... BRU: General Services

Component: Purchasing

Sponsor: Ellis

Requestor: \_\_\_\_\_ COMPONENT SERIAL NO. 

6	0		
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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
SUPPLIES	-0-	-0-	-0-	-0-	-0-	-0-
EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
GRANTS, CLAIMS	-0-	-0-	-0-	-0-	-0-	-0-
MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE FUND SOURCE:	-0-	-0-	-0-	-0-	-0-	-0-
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FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER FUND SOURCE:	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

Estimate of current year impact: 0

ANALYSIS: (Attach a separate page if necessary.)

See attached.

Prepared By: Arne McCord, Director *Arne McCord* Phone: 465-2250

Division: General Services Date: 2/18/92

Approved by Commissioner: Nancy Bear Usura *Nancy Bear Usura*

Agency: Administration Date: 2/24/92

FISCAL NOTE ANALYSIS

CSHB 324 (STA)

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Analysis

The fiscal impact of this bill to agency expenditures depends upon the number of bidders who would qualify for the preference and the instances when they bid on a State solicitation.

Since the adoption of AS 36.30.170 there have been no bids awarded to employment programs as a result of the existing 10% preference.

The likelihood of fiscal impact to all agency expenditures from section 3 (e) and (f) (10% preference for bidders with a disability or bidders employing the disabled) may be greater since there may be more bidders qualifying. It is not possible to determine the potential cost impact to agency expenditures.

This bill will have a negligible fiscal impact to the Division's purchasing activities.

FISCAL NOTE

No. 1

Bill Version: CSHB 324 (STA)

(H) Publish Date: 2/13/92

STATE OF ALASKA  
1992 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_ Department Affected: Administration

Title: An Act relating to state procure- BRU: General Services  
ment preferences for persons with ... Component: Purchasing

Sponsor: Ellis

Requestor: \_\_\_\_\_ COMPONENT SERIAL NO. 

6	0		
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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	52.5	52.5	52.5	52.5	52.5	52.5
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	1.0	1.0	1.0	1.0	1.0	1.0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
<b>TOTAL OPERATING</b>	<b>53.5</b>	<b>53.5</b>	<b>53.5</b>	<b>53.5</b>	<b>53.5</b>	<b>53.5</b>

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE:	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	53.5	53.5	53.5	53.5	53.5	53.5
FEDERAL FUNDS	0	0	0	0	0	0
OTHER FUND SOURCE:	0	0	0	0	0	0
<b>TOTAL</b>	<b>53.5</b>	<b>53.5</b>	<b>53.3</b>	<b>53.3</b>	<b>53.5</b>	<b>53.5</b>

POSITIONS:

FULL-TIME	1.0	1.0	1.0	1.0	1.0	1.0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: 0

ANALYSIS: (Attach a separate page if necessary.)

See attached.

Prepared By: Dugan Petty Phone: 465-2250

Division: General Services Date: \_\_\_\_\_

Approved by Commissioner: Nancy Bear Useya

Agency: Administration Date: 2/10/92

**COMMITTEE COPY**

FISCAL NOTE ANALYSIS

# 1

CS HB 324 (SM)

2-13-92

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Analysis

The fiscal impact of this bill to agency expenditures depends upon the number of bidders who would qualify for the preference and the instances when they bid on a State solicitation.

Since the adoption of AS 36.30.170 there have been few, if any, bids awarded to employment programs as a result of the existing 10% preference.

The likelihood of fiscal impact to all agency expenditures from section 3 (e) and (f) (10% preference for bidders with a disability or bidders employing the disabled) is greater since there will be more bidders qualifying. It is not possible to determine the potential cost impact to agency expenditures.

The major impact to implementation to central purchasing is the addition of staff necessary to establish procedures and determine when a bidder qualifies for the preference.

Personal Services

(1 Purchasing Agent II, Range 16)

\$ 52,257.47

Contractual Services

1,000

Total

\$ 53,257.47

This position would establish procedures for determining when a bidder meets the definition set out in this statute and would provide pre-certification that the bidder is a person with a disability or employs a sufficient number of persons with a disability at the time the bid is opened.

COMMITTEE COPY

Position Title Purchasing Agent II		No. of Positions 1	Range / Step A	Barg. Unit GGU
Time Status PFT	Staff Months 12	Location Juneau		Election District 4
TYPE OF EXPENDITURE		AMOUNT		
Salary	36.9	<b>Justification</b> The position would assist in preparation of procedures to precertify bidders with a disability and bidders who employ persons with a disability.  After procedures are completed, the position would certify bidders qualifying for the preference under the terms of the statutes.  The certification may involve:  reviewing bidders' applications;  reviewing and approving proof of the disability;  providing an up-to-date list of certified bidders with a disability; and  assisting in resolving protests regarding qualifications under this preference.		
Benefits	15.6			
Premium Pay				
Other				
<b>Total Personal Services</b>	<b>52.5</b>			
Travel				
Contractual	1.0			
Commodities				
Equipment				
Other				
<b>Total Cost</b>	<b>53.5</b>			
FUNDING SOURCE FOR TOTAL COST				
Federal Receipts	1002			
G.P. Match	1003			
General Fund	1004	53.5		
I-A Receipts	1007			
CIP Receipts	1061			
Other				

COMMITTEE

6/leg92/03811.kp

# Request For New Position

AGENCY ADMINISTRATION

BRU DIVISION OF GENERAL SERVICES

COMPONENT PURCHASING

FY 93

Page 3 of 3  
Revised Date: \_\_\_\_\_

CS HB 324(574)  
2-13-92

7-LS0064S  
Bannister  
2/26/92

CS FOR HOUSE BILL NO. 324 ( )  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
SEVENTEENTH LEGISLATURE - SECOND SESSION

BY

Offered:  
Referred:

Sponsor(s): REPRESENTATIVES ELLIS, Brown, Bruckman, Choquette

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to state procurement preferences for persons with a disability, for persons  
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3 disability; and providing for an effective date."

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14 more than 15 [10] percent higher than the lowest bid [OF A NONRESIDENT], the procurement

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11 this section.

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19 subsection a preference over another bidder who would otherwise qualify for a preference under  
20 this subsection or (e) of this section.

21 (g) The division of vocational rehabilitation in the Department of Education shall add to  
22 its current list of qualified employment programs a list of individuals who qualify as persons with  
23 a disability under (e) of this section and of persons who qualify under (f) of this section as  
24 employers with 50 percent or more of their employees being persons with disabilities. A person  
25 must be on this list at the time the bid is opened in order to qualify for a preference under (e)  
26 or (f) of this section.

27 (h) A preference under (c), (e), or (f) of this section is in addition to any other preference  
28 for which the bidder qualifies, including the preference under (b) of this section.

29 (i) In this section, "person with a disability" means an individual

30 (1) who has a severe physical or mental disability that seriously limits one or  
31 more functional capacities in terms of employability; in this paragraph, "functional capacities"

1 means mobility, communication, self-care, self-direction, interpersonal skills, work tolerance, or  
2 work skills;

3 (2) whose physical or mental disability

4 (A) results from amputation, arthritis, autism, blindness, burn injury,  
5 cancer, cerebral palsy, cystic fibrosis, deafness, head injury, heart disease, hemiplegia,  
6 hemophilia, respiratory or pulmonary dysfunction, mental retardation, mental illness,  
7 multiple sclerosis, muscular dystrophy, musculo-skeletal disorders, neurological disorders,  
8 paraplegia, quadriplegia, other spinal cord conditions, sickle cell anemia, specific learning  
9 disability, or end stage renal disease; in this subparagraph, "neurological disorders"  
10 include stroke and epilepsy; or

11 (B) is a disability or combination of disabilities that are not identified in  
12 (A) of this paragraph and that are determined on the basis of an evaluation of  
13 rehabilitation potential to cause substantial functional limitation comparable to a disability  
14 identified in (A) of this paragraph; and

15 (3) whose vocational rehabilitation can be expected to require multiple vocational  
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18 (b) In determining whether a proposal is advantageous to the state, the procurement  
19 officer shall take into account, in accordance with regulations of the commissioner, whether the  
20 offeror qualifies as an Alaska bidder under AS 36.30.170(b), [OR] is offering the service of an  
21 employment program, or qualifies for a preference under AS 36.30.170(e) or (f).

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23 Sec. 36.30.900. PRODUCT PREFERENCES. This chapter does not modify  
24 AS 36.15.010 and 36.15.020 regarding preference for Alaska forest products, or AS 36.15.050  
25 and 36.15.060 regarding preference for Alaska agricultural and fisheries products, except as  
26 provided in AS 36.30.170(b), [AND] (c), and (e) - (h), and 36.30.339.

27 \* Sec. 6. This Act applies to procurements that begin on or after the effective date of this Act.

28 \* Sec. 7. This Act takes effect immediately under AS 01.10.070(c).

# ALASKA STATE HOUSE

## REPRESENTATIVE JOHNNY ELLIS

### Business Incentives for People with Disabilities • CS for HB 324

#### Sponsor Statement

##### What is the purpose of introducing this legislation?

The purpose of this bill is to promote *and deliver* active business involvement between the State of Alaska and persons with a disability — who are either working for themselves, working in an employment program\*, or working in a privately owned business which employs more than half its workforce with people who experience a disability.

\* Employment programs are nonprofit agencies to increase employment opportunities for individuals who are experiencing mental or physical disabilities. Attached is a list of all statewide employment programs.

##### What are the changes made in the Committee Substitute?

The CS reflects changes in wording to make sure that the procurement preferences are for competition between residents and non-residents. The original draft was only for non-residents.

##### What does this legislation do?

This bill amends Alaska Statute Title 36.30 (State Procurement).

36.30.170 (c) is amended to increase the current bidding preference for an employment program from 10 percent to 15 percent. Although this is being increased, the preferences under (e) and (f) of this bill have priority over this group. This is understood from the language *Except as otherwise provided under (e) or (f)*

36.30.170 is amended by adding new sections (e), (f), (g) (h) (i)

36.30.170 (e) creates a 10 percent bidding preference for a person with a disability

36.30.170 (f) creates a 10 percent bidding preference for a business which has more than 50 percent of its workforce comprised of people with a disability.

36.30.170 (g) empowers the Div. of Vocational Rehabilitation in the Dept. of Education to keep a state procurement bidding eligibility list for persons in (e) and (f).

36.30.170 (h) states that these preferences are in addition to any other preference for which the bidder qualifies.

36.30.170 (i) Uses the Human Rights definition of who qualifies as a person with a disability.



**Example:** When the State of Alaska solicits a bid for a service they must always accept the lowest responsible and responsive bid (according to current Alaska Statute). Supposing that HB 324 passed and became law, this is what should happen: Let's say the lowest bid was \$100 from an Outside bidder, \$105 from an Alaska bidder, \$110 from a person with a disability and a business who employs more than 50 percent of its workforce of people with a disability, and \$115 from an employment program. Of these bids, the \$110 bid should win — because this legislation authorizes those groups of people to be looked at first — then employment programs. The procurement officer would then have to look at different criteria between those two \$110 bids to determine who would get the bid.

**How does the State benefit?**

#### **LONG TERM JOBS FOR ALASKANS**

State contracts with employment programs will provide long-term stable employment for persons with a disability, and as long as they are working, they are less likely to require public assistance.

#### **STABLE LABOR POOLS**

Unlike other contractors, employment programs are uniquely suited to provide stable labor pools.

#### **SAVES TIME AND MONEY**

The State saves time and money soliciting bids and providing follow up calls and letters for a bid — especially if they use services from an employment program before it goes out for a bid.

#### **STATE CERTIFIED WORK PROGRAM • QUALITY**

Employment programs offer a much different contractee/contractor relationship because the employment program has been certified by the State division of Vocational Rehabilitation as an employment program, which means that they are qualified and insured and stable.

**What else needs to be done?**

Current Alaska Administrative Code Regulations (2AAC 12.050) require Alaska procurement officers to maintain a list of employment programs in the State of Alaska, in order to purchase services before the bidding process. More communication is needed between the procurement or purchasing officers within State Agencies and Employment Programs.

**Alaska regulations 2AAC 12.050(c) reads**

*...if it is determined that the requirements cannot be met by supplies or services produced by an employment program, or the price is not reasonable, then the procurement may be made from the private sector...*

WALTER J. HICKEL, GOV.

**DEPARTMENT OF EDUCATION**

*DIVISION OF VOCATIONAL REHABILITATION*

CENTRAL OFFICE  
P.O. BOX F  
JUNEAU, ALASKA 99811-0581  
PHONE: (907) 465-2814  
FAX: (907) 465-2856  
TTD: (907) 465-2440

February 5, 1992

Representative Johnny Ellis  
Alaska State Legislature  
Room 204, Capitol  
P.O. Box V  
Juneau, Alaska, 99811

Re: House Bill No. 324

Dear Representative Ellis:

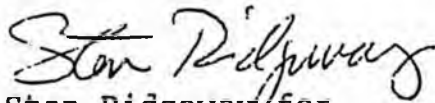
Thank you for asking the division to respond to your bill allowing preference for qualified work programs and Alaskan business owners who are, or employ, people with disabilities.

Over the last several years there has been a shift in philosophy related to work programs which are owned by or employ persons with disabilities. The shift is away from what have been traditionally known as "sheltered workshops" to community based placements. Because of this shift your bill, as written, would provide incentives for sheltered workshops, supported employment programs and businesses which are either owned by or provide employment to persons with disabilities.

The division endorses H.B. 324 which allows bidder preference for a wide range of employment options for Alaskans with disabilities.

As you know, the Division of Vocational Rehabilitation has the responsibility of identifying qualified employment programs throughout the state. We offer our assistance to the Chief Procurement Officer to further identify bidders who meet the definition as outlined in this bill.

Sincerely,



Stan Ridgeway for  
Keith J. Anderson, Director  
Division of Vocational Rehabilitation

3111 C STREET, SUITE 455  
ANCHORAGE, ALASKA 99503  
(907) 561-7628

WHILE IN SESSION  
P.O. BOX V  
JUNEAU, ALASKA 99811  
(907) 465-3704

# ALASKA STATE HOUSE



CHAIR  
RULES COMMITTEE

JUDICIARY

SPECIAL COMMITTEE ON INTERNATIONAL  
TRADE & TOURISM

LEGISLATIVE COUNCIL

REPRESENTATIVE JOHNNY ELLIS

## MEMORANDUM

**TO:** Representatives Eileen Panigeo MacLean & Mike Navarre,  
Co-chairs, House Finance Committee

**FROM:** Representative Johnny Ellis

**RE:** Scheduling CSHB 324 (State Affairs)

**DATE:** February 12, 1992

Please consider scheduling CSHB 324 for a hearing before your committee. The CS unanimously passed the House State Affairs Committee today. The CS reflects changes in wording to make sure that the procurement preferences are for competition between residents and non-residents. The original draft was only for non-residents. The CS also includes amendments to address the concerns of the Department of Administration. As written, CSHB 324 has no opposition from the Department and the fiscal note is expected to be zero.

CSHB 324 amends Alaska's procurement statutes to make three changes in favor of people with disabilities. It will increase the current procurement preference for employment programs from 10 percent to 15 percent, creates a 10 percent preference for a business that employs more than 50 percent of its workforce with people who experience a disability, and creates a 10 percent preference for a business that is owned by a person with a disability.

The Americans with Disabilities Act (ADA) of 1990 took effect on Jan. 26. This mandates the elimination of discrimination against persons with disabilities — a right many Alaskans have been fighting to achieve for years. The purpose of CSHB 324 is to give an added incentive for businesses to hire people with disabilities. As of now, there are no Alaska for-profit businesses that employ people with disabilities as their main workforce, or any for-profit businesses owned by people with disabilities. As a result, the state gives grants to non-profits and state bonded employment programs to hire people with disabilities and the State's division of Mental Health and Developmental Disabilities gives grants to non-profits for services.

It is time to get rid of the perceptions and attitudes that keep businesses from hiring people with disabilities. People who want to work should have the opportunity to contribute to the workforce. Having a job increases a person's independence and ability for self support and decreases reliance on public funds.

Thank you for your consideration of CSHB 324.



POSITION PAPER  
DEPARTMENT OF ADMINISTRATION

Bill Number" HB 324

Contact: Dugan Petty  
Phone #: 465-2250

Bill Title: "An Act relating to state procurement preferences  
for persons with a disability . . ."

This bill would increase the preference received by Alaska employment programs and create a preference for disabled Alaskan bidders and Alaskan bidders who employ the disabled.

- The current preference an employment program receives when their bids are evaluated would increase from 10% to 15%.
- A 10% cost preference would be required in the evaluation of bids and proposals submitted by a disabled bidder.
- A 10% cost preference would be required in the evaluation of bids and proposals submitted by a bidder if 50% or more of the bidder's employees at the time the bid is submitted are persons with a disability.

The bill could require award in some circumstances to a resident disabled bidder or employment program over a resident bidder. For example:


<u>Type Bidder</u>	<u>Alaska Bidder Preference</u>	<u>Amount Bid</u>	<u>Bid Evaluation</u>
Employment Program	5%	\$ 121	\$ 114.95
Alaska Bidder	5%	\$ 105	\$ 99.75
Non-resident (not qualifying for Alaska bidder's preference)	0%	\$ 100	\$ 100.00

In the above example, award would be made to the employment program because after application of the Alaska bidder's preference the employment program is "not more than 15 percent high than the lowest bid of a nonresident."

As with all preferences, it will result in additional costs to the State when the preference causes the award to be made to a bidder which has a higher bid but is within the 10% or 15% preference.

The bill does not provide for certification by a competent authority that the bidder qualifies as a "person with a disability" as defined under this bill. The responsibility to determine if a bidder qualifies will fall to the agency personnel assigned to the procurement. Without certification, the preference could lend itself to abuse or create difficulty for the State Procurement Officers to determine who is qualified to receive the preference.

' The Department of Administration does not support this bill in its present form because it can result in awards other than the low responsive responsible Alaska bidder and because of difficulties in determining whether the bidder qualifies as a person with a disability.



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Nancy Bear Usera  
Commissioner

2-10-92

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Date

DEPT. OF EDUCATION  
DIVISION OF VOCATIONAL REHABILITATION

DRAFT REGULATIONS  
FOR CERTIFICATION OF PEOPLE WITH DISABILITIES

February 25, 1992

Representative Johnny Ellis  
Alaska State Legislature  
Juneau, Alaska 99801

Re: House Bill No. 324  
Certification of People With Disabilities

Dear Representative Ellis:

At your request I present the following recommendations for the three qualified bidder areas cover by HB 324.

1. Employment Programs For Persons With Disabilities:

- a. It is recommended that the current system for certifying employment programs remain unchanged.

This system, within the Division of Vocational Rehabilitation, certifies qualified employment programs throughout the state. These employment programs are developed to employ people who meet the definition of severely disabled.

The division updates the employment program list on an ongoing basis and supplies a copy to General Services and Supply.

2. Determining which Persons With A Disability Are Eligible:

- a. It is recommended that, in order for a person to qualify as a "person with a disability" they must present medical evidence to the division to substantiate their claim. The Division of Vocational Rehabilitation considers that evidence in determining whether or not they can be certified.

The definition contained in the Bill (Sec. 3(g)(1) & (2) is very appropriate and adequate.

Certifying a person with a disability for this section will require medical documentation. Generally a person

who meets this definition will have extensive medical records available that can be presented to the division for use in certification. The cost of medical records would be the responsibility of the person seeking certification.

- b. It is recommended that an individual who has a rating of at least 50% disabled by the Veterans Administration be automatically considered severely disabled and therefore eligible for certification by the Division.
3. Determining Which Programs Are Eligible for Participation Under The Law:
    - a. It is recommended that, in order for a program to be eligible for participation that program must either;
      - (1. employ certified individuals in a sheltered environment such as a workshop, enclave or small work crew, or
      - (2. have at least one half of their employees certified as severely disabled by the Division of Vocational Rehabilitation.

This section would require the same documentation as outlined in the above section.

We hope that this bill will provide employment opportunities for persons with disabilities who would not otherwise have equal access to state contracts.

Historically most programs of this type employ persons with disabilities in a controlled settings with individual supervision of each employee.

Statistically the division places a very small number of clients into self-employment. I personally don't foresee this bill opening the flood gates for the majority of business owners to receive an advantage in bidding.

Sincerely,

Stan Ridgeway  
Deputy Director

*Dir. of Vocational Rehabilitation  
Dept. of Education*

# LIFEQUEST

COMPREHENSIVE MENTAL HEALTH SERVICES

Please reply to:

230 E. Paulson, Wasilla, AK 99687   
(907) 376-2411 FAX No. 907-376-1626

847 W. Evergreen, Palmer, AK 99645   
(907) 745-1000 FAX No. 907-745-6126

P.O. Box 787, Talkeetna, AK 99676   
(907) 733-2274 FAX No. 907-733-1222

FEB 10 1992

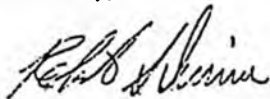
February 4, 1992

The Honorable Gene Kubina, Chair  
House of Representatives  
House State Affairs Committee  
POB V  
Juneau AK 99811

Dear Mr. Kubina:

I am writing to seek your support for HB 324 regarding business incentives for people with disabilities. As a community mental health director I have long been involved in trying to create vocational opportunities for people with a mental illness and other related disabilities. Programs which have created special incentives for businesses who hire disabled workers has worked throughout the country. They not only encourage businesses to hire the disabled, but they also encourage the disabled to create their own businesses. On behalf of the many disabled people in Alaska who would like to work, I encourage you to support the passage of HB 324.

Sincerely,



Robert S. Irvine, L.C.S.W., M.B.A.  
Chief Executive Officer

/pd

**Kodiak  
Area  
Native  
Association**



**REC'D FEB 10 1992**

402 Center Avenue  
Kodiak, Alaska 99615  
Phone (907) 486-5725

January 31, 1992

The Honorable Johnny Ellis, Representative  
Alaska State House  
P.O. Box 5  
Juneau, AK 99811

Reference: House Bill 324, State Procurement Practices

Dear Representative Ellis,

Thank you very much for your letter of January 22, 1992, outlining the provisions of the above-named House Bill, and providing me with a copy of that proposed act. I'd like to thank you for your interest in this very significant Alaska resource, that of workers with disabilities.

I would like to indicate my agency's support for this bill. I think bills such as this are particularly important during times of economic depression, to give people with disabilities that additional competitive edge which they may need.

Again, thank you very much for your concern and this bill.

Sincerely,

KODIAK AREA NATIVE ASSOCIATION  
KELLY SIMEONOFF, JR., PRESIDENT

Joe Kelley, CRC  
Vocational Rehabilitation  
Administrator

JK:kdc

cc: Rita Stevens  
Vice President, KANA