

HB

3 2 4

(7)

HOUSE COMMITTEE REPORT

Date Referred: May 10, 1991

FURTHER REFERRALS:

Finance

Date of Committee Action: 2/12/92

The STATE AFFAIRS 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 CS HB 324 (STA) the same 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 ADMIN

fiscal note(s) _____

zero fiscal note _____

zero fiscal note(s) _____

SIGNING <u>DO</u> PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Eugene D. Kubera</i>	<input checked="" type="checkbox"/>				
<i>David ...</i>	<input checked="" type="checkbox"/>				
<i>...</i>	<input checked="" type="checkbox"/>				
<i>...</i>	<input checked="" type="checkbox"/>				
<i>Mike Hillier</i>	<input checked="" type="checkbox"/>				
<i>...</i>	<input checked="" type="checkbox"/>				
<i>...</i>	<input checked="" type="checkbox"/>				

Eugene D. Kubera
CHAIRMAN'S SIGNATURE

CS FOR 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

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) - (g) [(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 person with
6 a disability, and is the lowest responsible and responsive bidder with a bid that is not more than
7 10 percent higher than the lowest bid, the procurement officer shall award the contract to that
8 bidder. This subsection does not give a bidder who would otherwise qualify for a preference
9 under this subsection a preference over another bidder who would otherwise qualify for a
10 preference under this subsection or (f) of this section.

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

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

22 (h) In this section, "person with a disability" means a person who has a permanent
23 physical or mental impairment that substantially limits one or more major life activities; in this
24 subsection,

25 (1) "major life activities" includes caring for one's self, performing manual tasks,
26 walking, seeing, hearing, speaking, breathing, learning, and working;

27 (2) "physical or mental impairment" means a

28 (A) physiological disorder or condition, cosmetic disfigurement, or
29 anatomical loss affecting one or more of the following body systems: neurological,
30 musculoskeletal, special sense organs, respiratory including speech organs, cardiovascular,
31 reproductive, digestive, genito-urinary, hemic and lymphatic, skin, and endocrine; or

1 (B) mental or psychological disorder, including mental retardation, organic
 2 brain syndrome, emotional or mental illness, and specific learning disabilities.

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

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

8 * Sec. 5. AS 36.30.900 is amended to read:

9 Sec. 36.30.900. PRODUCT PREFERENCES. This chapter does not modify
 10 AS 36.15.010 and 36.15.020 regarding preference for Alaska forest products, or AS 36.15.050
 11 and 36.15.060 regarding preference for Alaska agricultural and fisheries products, except as
 12 provided in AS 36.30.170(b), [AND] (c), (e), (f), and (g), and 36.30.339.

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

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

Rep. Johnny Ellis

Proposed amendments to adopt with new CS for HB 324

Amendment #1

Section 3 New subsection (g) — current (g) will become (h) and (h) will become (i)
Page 2, Line 20

The Division of Vocational Rehabilitation shall add to its current list of qualified employment programs a list of persons who qualify as persons with a disability under (e) of this section and of persons who qualify as employers of persons with 50 percent or more employees being persons with disabilities under (f) of this section. A person must be on this list at the time the bid is opened in order to qualify for a preference under (e) or (f) of this section.

Amendment #2

Section 5

Page 3, line 12

add (h) after (g)

WALTER J. HICKEL, GOVL

DEPARTMENT OF EDUCATION

DIVISION OF VOCATIONAL REHABILITATION

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

ALASKA STATE HOUSE

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RULES COMMITTEE

JUDICIARY

SPECIAL COMMITTEE ON INTERNATIONAL
TRADE & TOURISM

LEGISLATIVE COUNCIL

REPRESENTATIVE JOHNNY ELLIS

MEMORANDUM

TO: Representative Gene Kubina
Chair, House State Affairs Committee

FROM: Representative Johnny Ellis *JE*

RE: Scheduling SSHB 324

DATE: January 28, 1992

Please consider scheduling HB 324 for a hearing before your committee. I will be introducing a sponsor substitute which reflects changes I made over the summer.

HB 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 will take effect this July. This mandates the elimination of discrimination against persons with disabilities — a right many Alaskans have been fighting to achieve for years. The purpose of HB 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 HB 324.



ISER RESEARCH SUMMARY

Institute of Social and Economic Research, University of Alaska Anchorage

April 1991, R.S. No. 47

What Do Alaskans with Disabilities Need?

More than 20,000 Alaskans—4 percent of the state population—are disabled and live outside institutions. Most of them are getting medical care, but many lack special equipment, information, and other help they need.

These are among the findings of a recent ISER survey of more than 4,300 Alaska households. It is the first survey of its kind in the nation to determine how many disabled persons live on their own and what they need to continue living independently. ISER did the survey for the Division of Vocational Rehabilitation in the Alaska Department of Education, which will use the results to improve services for disabled Alaskans.

What Disabilities Do Alaskans Have?

Most disabled Alaskans have more than one disability. The estimated 22,220 disabled Alaskans living outside institutions report about 61,000 disabilities.

Inability to walk or difficulty walking is the most common disability, followed by arthritis; deafness or hearing loss; learning disabilities; blindness or vision loss; and circulatory or respiratory problems. A variety of other disabilities are less common. (Table 1.)

What Services Do Disabled Alaskans Need?

Figure 1 shows how many disabled Alaskans need specific services, and how many of them are getting what they need.

All disabled Alaskans need medical care, and 85 percent are receiving it—but that leaves 3,400 who aren't.

Most disabled persons also need information on their disabilities and help in getting benefits and in making their problems known. About 70 percent are receiving those services—which means several thousand are not.

Table 1. Most Common Disabilities

Impaired Mobility	19%
Arthritis	12%
Deafness or Hearing Loss	12%
Learning Disability	10%
Blindness or Vision Loss	9%
Circulatory or Respiratory Disorder	8%
Others	30%

Estimated Number of Alaskans with One or More Disabilities	22,220
------------------------------------------------------------	--------

Average Number per Person	2.75
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Many disabled Alaskans also need information on special equipment or the loan of equipment, as well as newsletters to tell them about available services. Fewer than half of those who need equipment information or loans are getting what they need, and only 20 percent are receiving newsletters.

Large numbers of disabled Alaskans also need job training, centralized information and counseling about their disabilities, and support groups. Most (70 percent) are getting job training and counseling, but fewer than half get centralized information and only 20 percent belong to support groups.

What Special Equipment Do Disabled Alaskans Need?

Figure 2 shows kinds of special equipment or information about available technology disabled Alaskans need.

Disabled Alaskans most commonly need devices to help them hear, see, or speak better (either in person or over the telephone); wheelchairs, walkers, and other devices to improve mobility; and building modifications for their homes or offices.

This Research Summary is based on An Assessment of the Needs of Alaska Residents Who Are Disabled, by Virgene Hanna and Jack Kruse. The full report is available from ISER at a cost of 10 cents per page. This publication is printed on recycled paper.

Most of those (85 percent) who need wheelchairs or other aids to mobility have them, and about 60 percent who need devices to help them in face-to-face communication have them. But only about half of those who need modifications to buildings have them, and only 30 percent who need devices to improve telephone communication have them. Additional equipment disabled Alaskans need but relatively few have includes adapted computers and customized vehicles.

Disabled Alaskans also need help keeping track of technological changes. Many need to be evaluated to learn what new technology might help them and to receive ongoing information on new developments. About 70 percent say they have been evaluated, but only about a third receive current information.

Others need help paying for new equipment, and sales and service establishments for specialized equipment. Less than half of those who need such services are getting them.

Summary

Most (but not all) disabled Alaskans are receiving the medical care they need, and most who need wheelchairs, hearing aids, and other kinds of equipment that have been available for many years have them.

What many disabled Alaskans lack are services and equipment that have been developed more recently. These include newsletters that help disabled persons keep track of new technology or treatment, and support groups for people with similar disabilities. Also, many of those who are aware of new equipment are unable to buy or borrow what they need.

Figure 1. What Services Do Disabled Alaskans Need?

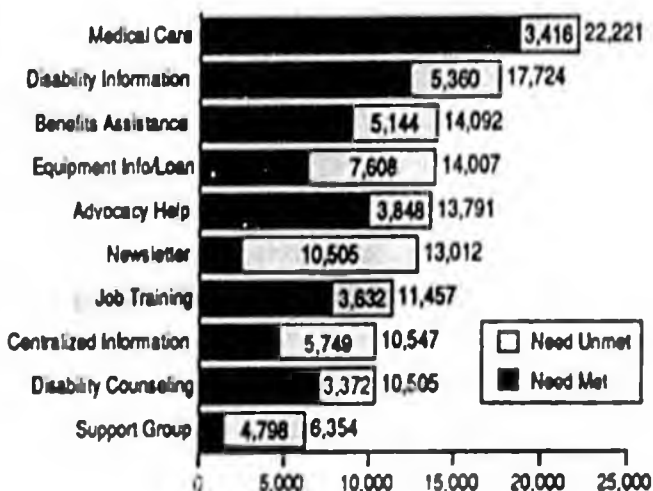
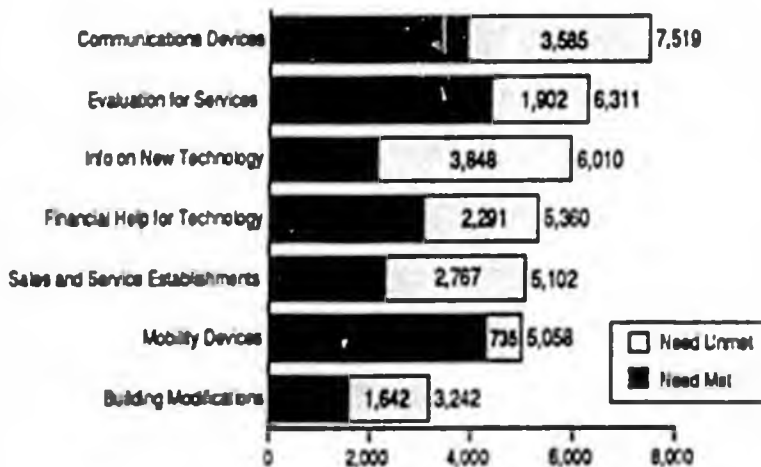


Figure 2. What Equipment and Information Do Disabled Alaskans Need?



Research Summary (No. 47)

Institute of Social and Economic Research
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*Alaska Specialized Education and Training Services, Inc.

Volume 8, Number 2

Winter Issue 1991

ADA and EMPLOYMENT

The Americans With Disabilities Act of 1990, PL 101-336, more commonly known as ADA, mandates the elimination of discrimination against persons with disabilities. It provides statutory deadlines for accomplishing this in the areas of Employment, Public Accommodations, Transportation, State and Local Government Operations, and Telecommunications.

Date of implementation of ADA in the area of employment is broken out into two categories of employers. For those employers who have had twenty-five or more employees for each working day in each of twenty or more calendar weeks in the current or preceding calendar year, the implementation date is ~~July 26, 1992~~. For those employers who have had between fifteen and twenty-four employees for each working day in each of twenty or more calendar weeks in the current or preceding calendar year, the implementation date is July 26, 1994.

Employers may not discriminate against an individual with a disability in hiring or promotion if that person is otherwise qualified for the job. Employers can ask about one's ability to perform a job, but cannot inquire if someone has a disability or subject a person to tests that tend to screen out people with disabilities. Employers will need to provide "reasonable accommodations" to individuals with disabilities; the law does further state that employers do not need to provide accommodations that impose an "undue hardship" on business operations.

At what point do "reasonable accommodations" become an "undue hardship" on business operations? Reasonable accommodation may include:

- (A) making existing facilities used by employees readily accessible to and usable by individuals with disabilities; and
- (B) job restructuring, part-time or modified work schedules,

reassignment to a vacant position, acquisition or modification of equipment or devices, appropriate adjustment or modifications of examinations, training materials or policies, the provision of qualified readers or interpreters, and other similar accommodations for individuals with disabilities.

Undue hardship means an action requiring significant difficulty or expense, when considered in light of the factors set forth in subparagraph (B). In considering whether an accommodation would impose an undue hardship on a covered entity, factors to be considered include:

- (i) the nature and cost of the accommodation needed under this Act;
- (ii) the overall financial resources of the facility or facilities involved in the provision of the reasonable accommodation; the number of persons employed at such a facility; the effect on expenses and resources, or the impact otherwise of such accommodation upon the operation of the facility;
- (iii) the overall financial resources of the covered entity; the overall size of the business of a covered entity with respect to the number of its employees; the number, type and location of its facilities; and
- (iv) the type of operation or operations of a covered entity; including the composition, structure, and functions of the workplace of such entity; the geographic separateness, administrative, or fiscal relationship of the facility or facilities in question to the covered entity;

For more information on ADA and its impact on your business, contact either the Division of Vocational Rehabilitation at 274-9100, Access Alaska at 248-4777 or Advocacy Services of Alaska at 344-1002.

Easing the disabled into the workplace

By DEBORAH A. SAKAMOTO

Mary Hanes, 36, job coach for the disabled. Hanes' career with Alaska Specialized Education Training Services — a non-profit business that trains disabled people for the workplace — started seven years ago when she substituted for a cafeteria worker at ASETS.

The organization's supervisor liked the way she worked with the disabled and offered her a permanent position training both mentally and physically handicapped people to work for various employers in the community.

But before Hanes can train a worker, she has to learn the task at hand herself.

"My supervisor finds an available job and then we try to match it with a worker. A job coach is then selected to train for that job before a worker is trained. I've learned many a job. I'm a jack-of-all-trades. One of the first sites I had was out at the airport learning how to sweep carpets.

"I've learned how to pull carts and work the dishwashers at Humana Hospital. ... We have a contract at the commissary out on base to learn how to stock. I also did janitorial work at the old federal building. They have nine miles of carpet that we had to vacuum every night. That is where a worker dropped a lot of weight.

"We have workers in a veterinary clinic cleaning cages and moving animals and another who works at Alaska Silk Pies. We also have people at Alaska Cleaners.

"We are trying to branch out to other jobs that offer more versatility. We don't want to give them only 'grungy jobs' that no one else wants. We want them to take pride in what they do.

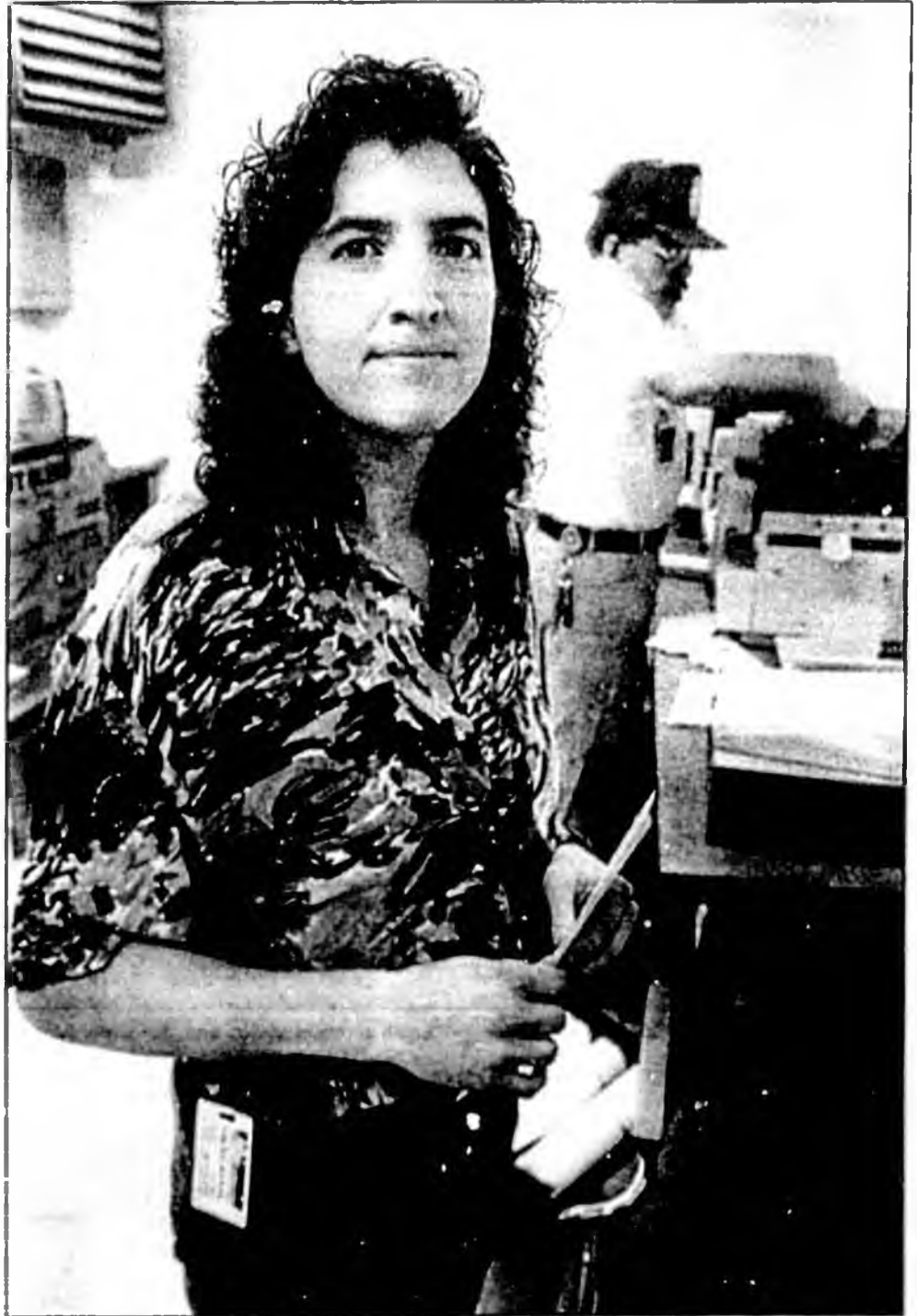
"It gives the disabled a more fulfilling life and is a learning experience for the community. Getting the disabled into the workplace is better than keeping them in sheltered workshops, out of sight.

"In my department ... there are six job coaches, each with about six to eight people on their case load.

"I have no official education for this job. I think it helps coming from a large family because you're used to getting along with all different kinds of people. I have nine brothers and sisters. I'm right in the middle.

The most important trait one must have for this job is the ability to get along with people. It's amazing the amount of patience I've learned since I've had this job. You try and put yourself in their position and realize you have to keep trying different ways to get them to understand (the required task). Each trainee functions at a different level. You have to put yourself in their shoes and try to get the point across to them.

"I'm working with (a disabled person) right now. The (invoicing) machine we are working on is very frustrating. It's frustrating to me, but I can't let him see that. I have to be able to see him if he's frustrated, to see if he can brainstorm that, and then encourage him to take a break.



BOB HALLMAN / Anchorage Daily News

"I also have to make sure to tell him that it is OK to be frustrated. He may not even know that it is frustration he's feeling.

"Job proper training, consistent and physically disabled people function wonderfully. I've never had my own business. I would hire disabled people because they are joyful — they

will always be there. They love performing for themselves and getting the feedback that they are doing a wonderful job." ■

Deborah Sakamoto is a Daily News editorial assistant.

Alaska State Legislature

Legislative Research Agency



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Fax: (907) 183-3331

March 5, 1990

MEMORANDUM

TO: Representative Johnny Ellis

ATTN: Rex Gist

FROM: Carol R. Vandor *CRV*
Legislative Analyst

RE: Bidder's Preference for the Handicapped
Research Request 90.188

You asked if there are any bidder's preference provisions under Alaska state and local government law designed to increase business opportunities for the handicapped. You also wanted to know if any other states had bidder's preference for the handicapped.

Alaska State Law

Chapter 30 under Title 36 of the Alaska Statutes mandates the State Procurement Code. Under A.S. 36.30.170, if a bidder who qualifies as an Alaska bidder is offering services through an employment program, and is the lowest bidder with a bid that is not more than 10 percent higher than the lowest bid of a nonresident, the bid is awarded to that bidder. In other words, the maximum preference for the handicapped under this statute is 10 percent if the handicapped bidder is competing with a nonresident. There is no preference for a handicapped bidder over an Alaska resident. An employment program is defined under A.S. 36.30.990 as a nonprofit program to increase employment opportunities for individuals with physical or mental disabilities that constitute substantial handicaps to employment.¹

¹I thought you might be interested in services available in Alaska for vocational rehabilitation and therefore have included some additional information. The Alaska Division of Vocational Rehabilitation's primary mission is the placement of handicapped workers in occupations that are compatible with their interests and abilities. The division offers an array of comprehensive services to prepare handicapped persons for employment. They include vocational guidance and counseling; vocational evaluation; job training; rehabilitation engineering; physical and mental restoration; and technical assistance to employers. The division also provides, on a limited scale, self-employment opportunities for handicapped persons to start their own business. Attached are three pamphlets which discuss the services provided by the division.

Representative Ellis
March 5, 1990
Page 2

Alaska Local Law

I contacted the purchasing offices of the Municipality of Anchorage, the Fairbanks North Star Borough, and the City and Borough of Juneau. There are no local government laws that provide bidder's preference for the handicapped.

Other State's Laws

In November 1987, the Council of State Governments conducted a preference policy survey for the National Association of State Purchasing Officials. The results of the survey are presented on the attached table which summarizes the preferences for various categories of people, i.e., the handicapped and minorities. I have included statutes from Idaho, Indiana, Louisiana, Maryland, Texas, Washington, and Wisconsin which address preference policies for the handicapped. Following is a brief explanation of these statutes.

Idaho - Products which are manufactured by and services which are provided for nonprofit corporations and public agencies operating rehabilitation facilities serving the handicapped and disadvantaged, and offered for sale at the fair market price as determined by the administrator of the division of purchasing which meet the specific requirement for such products, may be procured by state agencies or departments or any political subdivision of the state from nonprofit corporations or public agencies without advertising or calling for bids.

Indiana - Any agency of the state or unit of local government may buy products and services from any qualified not-for-profit agency for the severely handicapped without advertising or calling for bids. The agency must comply with Indiana laws governing private not-for-profit organizations; be certified as a sheltered workshop by the wage and hour division of the U.S. Department of Labor; and meet the Indiana rehabilitation services and facilities joint standards. To participate, the not-for-profit agency for the severely handicapped must have indicated an interest in supplying the goods and services. Purchases of products and services may be apportioned on an equitable basis among the interested qualified not-for-profit agencies for the severely handicapped. Goods or services must meet the specifications and needs of the purchasing body and must be purchased at a fair market price.

Louisiana - Every governmental body in Louisiana gives a preference in its purchasing practices to goods manufactured and services performed by severely handicapped individuals in state-operated and state-supported sheltered workshops.

Maryland - Maryland has established a Pricing and Selection Committee for Rehabilitation and Employment Programs. The duties of the committee are to establish procedures to govern procurement of supplies and services from sheltered workshops; choose appropriate supplies and services for sheltered workshops to offer for procurement; provide that the state procure those

supplies and services from a sheltered workshop; and determine the fair market price of supplies and services that sheltered workshops provide. In addition, if supplies or services are not available for procurement from a unit of the state government, the committee will determine if the supplies or services are available from a sheltered workshop. The committee will, in accordance with market conditions, adjust prices for the supplies and services that sheltered workshops provide, and at the request of a sheltered workshop, the committee will review or change the price of a supply or service.

Texas - Texas has established a Committee on Purchases of Products and Services of Blind and Severely Disabled Persons. One of the committee's responsibilities is to determine the fair market price of all products and services manufactured by the blind or the handicapped. A suitable product or service that meets applicable specifications established by the state or its political subdivisions and that is available within the time specified must be procured from a nonprofit agency for blind or disabled persons at the price determined by the committee to be the fair market price.

Washington - Washington statute authorizes municipalities to negotiate directly with and to purchase products and services provided by sheltered workshops. The municipality determines the fair market price of the purchases of products and services. To determine the fair market price, a municipality uses the last comparable bid on the product or service or, in the alternative, the last price paid for the product or service. The increased cost of labor, materials, and other documented costs since the last comparable bid or the last price paid are additional cost factors which are considered in determining the fair market price. Washington statute also provides for a preference equal to 10 percent of the total bid amount for the purchase of goods and services from inmate work programs.

Wisconsin - If a sheltered workshop licensed by the Department of Industry, Labor and Human Relations submits a qualified responsible competitive bid with respect to an order or contract that is no more than 2 percent higher than the lowest responsible bid, or a competitive proposal with respect to an order or contract that is no more than 2 percent higher than the most advantageous proposal, the department and any agency making purchases will award the order or contract to that sheltered workshop. If more than one sheltered workshop submits a bid or proposal, the department or other agency will award the order or contract to the one submitting the lowest bid or proposal. This does not apply to purchases of printing and stationery.

If I may be of further assistance, please contact this office.

Attachments

LIFE QUEST

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

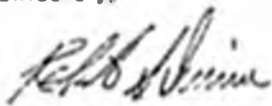
February 4, 1992

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

lpd

REC'D FEB 10 1992

**Kodiak
Area
Native
Association**



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

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RULES COMMITTEE

JUDICIARY

SPECIAL COMMITTEE ON INTERNATIONAL
TRADE & TOURISM

LEGISLATIVE COUNCIL

REPRESENTATIVE JOHNNY ELLIS

Business Incentives for People with Disabilities • CS for HB 324

A bill to help implement the Americans with Disabilities Act

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)

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

36.30.170 (h) 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

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 contractor/contractee 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...

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. HB 324

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.

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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
TOTAL OPERATING	53.5	53.5	53.5	53.5	53.5	53.5

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
TOTAL	53.5	53.5	53.3	53.3	53.5	53.5

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 PREEV Phone: 465-2250

Division: General Services Date: _____

Approved by Commissioner: Nancy Bear Usery

Agency: Administration Date: 2/10/92

FISCAL NOTE ANALYSIS

HB 324

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	<u>1,000</u>
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.

Position Title Purchasing Agent II		No. of Positions 1	Range / Step A	Barg. Unit CCU
Time Status PET	Staff Months 12	Location Juneau		Election District 4
TYPE OF EXPENDITURE		AMOUNT		
Salary	369	Justification 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	156			
Premium Pay				
Other				
Total Personal Services	525			
Travel				
Contractual	10			
Commodities				
Equipment				
Other				
Total Cost	535			
FUNDING SOURCE FOR TOTAL COST				
Federal Receipts	1002			
G.P. Match	1003			
General Fund	1004	535		
I-A Receipts	1007			
CIP Receipts	1061			
Other				

6/kg92/00811.kp

Request For New Position

AGENCY ADMINISTRATION

BRU DIVISION OF GENERAL SERVICES

COMPONENT PURCHASING

FY 93

Page 1 of 1
Revised Date: _____

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:

Type Bidder	Alaska Bidder Preference	Amount Bid	Bid Evaluation
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."

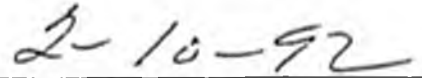
As with all preferences, it will result in additional costs to the State when the preference causes the award to be made to a bidder which has a higher bid but is within the 10% or 15% preference.

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.



Nancy Bear Usera
Commissioner



Date

July 12, 1991

Carolyn Morris, Administrative Coordinator
Governor's Committee on Employment of People with Disabilities
P.O. Box 107018
Anchorage, AK 99510-7018

Dear Ms. Morris,

Thank you very much for inviting me to attend the meeting in Anchorage on August 8 and 9, 1991. I am pleased to be able to accept your invitation. As you know HB 155, HB 157 and HB 324 have been referred to the House State Affairs Committee and I am most interested to learn more about disability legislation.

Thank you again for the invitation. I look forward to seeing you in Anchorage.

Sincerely,

Representative Gene Kubina
House State Affairs Committee, Chairman
House of Representatives
District Six

*Governor's Committee on
Employment of People with Disabilities*

Mailing Address: P.O. Box 107018, Anchorage, Alaska 99510-7018

Office Location: 3301 Eagle Street, Suite 203, Anchorage Telephone: 907-264-2631

July 1, 1991

The Honorable Gene Kubina
Chairman
House State Affairs Committee
P.O. Box 1969
Valdez, Alaska 99686

Dear Chairman Kubina:

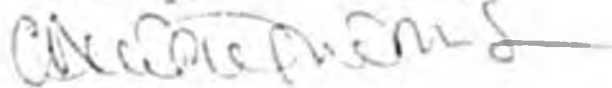
The Governor's Committee on Employment of People with Disabilities (GCEPD) will be meeting Thursday and Friday, August 8 and 9, 1991 in Anchorage. The meeting will be held in the Governor's Conference Room, Suite 758 of the Frontier Building at 3601 "C" Street.

The GCEPD would like to invite you to attend. We have also invited Representative Kay Brown as the sponsor of HB 155 and 157 and Johnny Ellis as the sponsor of HB 324 to join us at 10:00 a.m. Thursday, August 8.

We are pleased to have visiting at that time from Washington, D.C., Mr. Justin Dart, Chair of the President's Committee on Employment of People with Disabilities. We have planned a busy itinerary for Mr. Dart which includes time with the GCEPD. The committee feels that everyone would enjoy and benefit from a meeting which includes sponsors of disability legislation, and others involved with the political process.

The GCEPD is looking forward to hearing from you regarding this invitation.

Sincerely,



Carolyn Morris, Administrative Coordinator



House State Affairs Committee

Representative Gene Kubina, Chair

DATE: February 12, 1992

PLACE: Capitol Room 102

SUBJECT OF MEETING:

- *HB 324 - Relating to Disabled Bidder Procurement
- *HCR 46 - Relating to Disabled American Veterans Day
- HB 327 - Relating to Primary Elections
- HB 328 - Relating to Public Comment on Proposed Regulations

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?		WHAT SUBJECT/ WHICH BILL?
Tom Wright	Spec. Comm. on Military & Vet Affairs	CAPITOL, RM 405 JUNEAU	99801		4527	(Y)	N	HCR 46
Anne T. Todd	DOA	7th floor, 5015	99801		2250	Y	(N)	HB 61 HB 324
V DUGAN PETTY	DOA GEN. SV.	Box 110210 7th floor 5015	99801		2250	(Y)	N	HB 61 if needed HB 324
Stan Rittberg	Sec. Rel. L.	801 W 10th St. S. 1. 200	99801		3711	(Y)	N	HB 329
Dr. Bill Stoltze	Longley	CAPITOL RM 11			3711	(Y)	N	SER 29
Robert Bartholomew	DOT IPF	3132 Chertoff Dr			3911	(Y)	(N)	HB 324
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	

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House State Affairs Committee

Representative Gene Kubina, Chair

DATE: February 12, 1992

PLACE: Capitol Room 102

SUBJECT OF MEETING:

HCR 16 - Relating to Bone Marrow Donor Week
 SCR 29 - Relating to Bone Marrow Donor Week
 HB 61 - Relating to Child Care

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?	WHAT SUBJECT/ WHICH BILL?
Rod Moline	REACH	P.O. Box 34197	99813	3-3526	9-7673	<input checked="" type="radio"/> Y <input type="radio"/> N	HB 324 ✓
Joe Ambrose	REP TAYLOR			41906		<input checked="" type="radio"/> Y <input type="radio"/> N	HB 61 ✓
Donald Gullikson	REACH	P.O. Box 24101	99803	4-2266	3-4411	<input checked="" type="radio"/> Y <input type="radio"/> N	HB 324 ✓
Deborah Behr	DPT OF LAW	P.O. Box K, Juneau, P.O. Box 026 AIC	99803		465-3360	<input checked="" type="radio"/> Y <input type="radio"/> N	HB 328
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
Walter Smith		lunch 99517 3710 Greenland	99501		248-4777	<input checked="" type="radio"/> Y <input type="radio"/> N	HB 324
Stephen M. ...		lunch 2120 ...	99501		248-4777	<input checked="" type="radio"/> Y <input type="radio"/> N	HB 324
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	

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