



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 1529 (Substitute S-2 as reported)
Sponsor: Senator Mark C. Jansen
Committee: Commerce and Tourism

CONTENT

The bill would amend the Management and Budget Act to do all of the following:

- Require the Department of Technology, Management, and Budget (DTMB) to purchase goods and services manufactured or provided by "community rehabilitation organizations", rather than by "sheltered workshops" in "work activity centers".
- Exempt the procurement of goods and services from community rehabilitation organizations from competitive procurement requirements, but specify that the DTMB would not be prohibited from applying competitive bid requirements to select among community rehabilitation organizations for the purchase of goods and services.
- Rename the Committee on the Purchase of Goods and Services from Sheltered Workshops and Work Activity Centers, within the DTMB, as the "Committee on the Purchase of Goods and Services from Community Rehabilitation Organizations".
- Require Committee members to be appointed by the Governor rather than the DTMB Director.
- Revise some of the responsibilities of the Committee.
- Refer to "community rehabilitation organizations" rather than "sheltered workshops" and "persons with a disability" rather "handicapped persons".

At least annually, the Committee must establish and review fair market prices for the goods and services to be purchased. Under the bill, this would have to be done in cooperation with the DTMB and include a review of the methods for establishing fair market prices. The bill would define "fair market price" as the price established by the Committee for goods or services to be purchased from community rehabilitation organizations based upon one or more of the following: available information from reliable market sources; a market survey conducted by a person designated by the Committee; previous contract prices adjusted for market conditions; cost analysis; the range of bids from the most recent solicitation, including a determination of the median price, average price, and any market conditions that have changed since the most recent solicitation; and other methods as determined by the Committee.

MCL 18.1293-18.1297

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Date Completed: 11-8-10

Fiscal Analyst: Joe Carrasco