
The Vendor in Good Standing Program

2008 Report
(As set forth in RCW 43.19.531)

Prepared by:

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(As set forth in RCW 43.19.531)

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Vendor in Good Standing Meeting Minutes, July 18, 2008

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Executive Summary

The Vendor in Good Standing (VIG) Program was established by SHB 1813 (2003), and extended by HB 2271 (2005). Its purpose is to improve employment opportunities for people with disabilities by allowing Community Rehabilitation Programs (CRP) and businesses owned and operated by people with disabilities to have enhanced state contracting opportunities. This program will end on December 31, 2009 unless it is reauthorized by the Legislature. The Department of General Administration (GA) and the Governor's Committee on Disability Issues and Employment (GCDE) are directed to jointly report to the Governor and Legislature on the program, its activities and impacts by December 31, 2008.

Significant Findings

The Contracting Opportunities and Incentives Established by SHB 1813 Have Not Been Sufficient to Achieve the Program's Purpose: SHB 1813 applies to purchased goods and service contracts. It allows businesses owned and operated by people with disabilities and Non-Profit CRPs to engage in a direct negotiation with an agency prior to a bid; requires including VIGs in bids over \$3,300, when one provides the good or service being sought; and allows an opportunity for a VIG that has submitted a responsive bid but is not the apparent successful bidder, to improve that bid before the contract is let. However, these incentives have not overcome the barriers described in the body of this report, and no Vendor in Good Standing has succeeded in obtaining a contract under this program.

Linking Eligibility to Demonstrated Progress is a Significant Innovation: SHB 1813 resolved concerns about unintended negative impacts of the model provided by the federal Ability One Program (formerly JWOD), by making demonstrated progress in a set of criteria related to integration, pay, and movement toward less restrictive employment settings a significant factor in determining VIG eligibility. This innovation has been recognized as a promising practice by the Office of Disability Employment Policy in the U.S. Department of Labor and by other states grappling with the same concerns.

The Eligibility Criteria and Determination are Too Complex: SHB 1813 sets out twelve criteria for evaluating whether applicants for the VIG Program have demonstrated progress in promoting improved employment opportunities for people who have disabilities. These criteria have been confusing for applicants and potential applicants. They do not reflect subsequent changes in state programs and policies related to funding vocational services for people with disabilities.

Key Recommendations

Improve the Incentives for Agencies to Contract with VIGs: The Department of General Administration is actively investigating the idea of establishing master contracts with VIGs for the goods and services they provide. The significantly greater ease of purchasing the covered goods and services under those contracts would be a substantial incentive for agencies to purchase from VIGs. Additional proposals to improve access to subcontracts and to improve the benefit for disability owned business are described in the Recommendations sections of this report.

Extend the Program an Additional Year: The need to improve employment opportunities for people with disabilities is still as desperate as it was when this program was created. With an enhanced incentive and streamlined eligibility process this program has the potential to have a significant impact on that need. However, this recommendation is predicated on the implementation of the first key recommendation. This program should not be continued with only its current incentives.

Overview

The stated intent of RCW [43.19.520](#) is to encourage state agencies to purchase products and/or services from entities serving or providing opportunities for disadvantaged or disabled persons. RCW [43.19.525](#) outlines parameters for determining if a vendor qualifies as a Business Owned and Operated by Persons with Disabilities and for determining if the vendor qualifies as a Community Rehabilitation Program (CRP). It goes on to outline a process and parameters for the Governor’s Committee on Disability Issues and Employment to apply in determining if the DFP or CRP qualifies as a Vendor in Good Standing (VIG).

To assist in achieving the stated objective, RCW [43.19.530](#), empowers state agencies to negotiate directly with a CRP and until December 31, 2009 with a disability owned business provided that the products or services offered represent fair market pricing as determined by the Office of State Procurement (OSP). Additionally, if no state contract exists, the Washington Purchasing Manual (WPM) dictates that at least one available VIGS must be notified of a bid opportunity for any purchase over \$3,300. Lastly and in accordance with [43.19.1911](#)(6), for formal sealed bid opportunities, participating VIGs that are not identified as the lowest responsive bidder shall be given an opportunity to improve their proposed pricing in hopes of becoming the lowest responsive bidder.

Analysis

All of these provisions have been outlined in the WPM and each quarter General Administration sponsors a free WPM class where this material is covered and purchasers are encouraged to make application. As of this writing, the table below outlines the results of these efforts as reported by the Washington Electronic Business Solution (WEBS) vendor registration and bid notification database.

	Total	Bid Notifications Sent	Bid Downloads	Bid Responses Made	Bids Awarded
DisBusiness	0	0	0	0	0
VIGS	5	363	135	18	0
CRP	23	2,986	156	5	3
Total	28	3,349	291	23	3

Source: WEBS November 2008

Consistent with RCW [43.19.531](#) businesses owned and operated by people with disabilities, CRPs and VIGs are identified in the WEBS database and as required, these vendors (as with all registered WEBS vendors) are regularly prompted to update their vendor profile to include updating the commodity codes of interest. As the table below suggests, both purchasers and vendors have embraced WEBS as it serves as an efficient common platform for vendor registration and bid notification.

Government Users of WEBS		Vendor Users of WEBS	
State Agencies	76	Total Disability-owned	0
Higher Education	38	Total VIGS	5
School Districts and Local Government	143	Total CRPs	23
Non-Profits and other	41	Total Certified minority-owned	323
Total	298	Total Certified woman-owned	423
Total bids posted on WEBS since 12/04	4,549	Total vendors registered in WEBS	16,996

Source: WEBS December 2008

Outreach

While developing the enacting regulations for the eligibility determination process for this program a representative of the Governors Committee on Disability Issues and Employment presented draft proposals and solicited feedback at two meetings of statewide organizations representing Community Rehabilitation Programs. All draft regulations were presented to and approved by the nine member advisory committee established under the statute. An overview of the program and the application form were distributed twice to a combined email list of all service providers under contract with either the Division of Developmental Disabilities or the Division of Vocational Rehabilitation (about 300 contractors) and to the GCDE-Info list-serve of about 1,000 disability organizations and disability community advocates. The VIG Program overview and application form were also posted on the Governor's Committee on Disability Issues and Employment web site. After the program was active, representatives of General Administration and the Governor's Committee on Disability Issues and Employment made joint presentations on the VIG program to two statewide meetings of organizations representing community rehabilitation programs, and representatives of the Governor's Committee on Disability Issues and Employment made presentations on the program at several meetings of disability organizations around the state.

After it became apparent that the participation in the program was substantially lower than anticipated and that the participating VIGs were not being successful in securing contracts, the Governor's Committee on Disability Issues and Employment asked for an evaluation and planning session with the VIGs. That session was hosted by Orion Industries on August 29, 2007, and included participation from all eligible VIGs. Specifically, the Committee was seeking input on whether the VIGS felt that it should wait until December, 2008 and this report, or if it would be better to try to present recommendations on possible program improvements to the Governor and Legislature for the 2008 session. While the feedback the VIGs provided at that time was generally consistent with the findings and recommendations presented in this report, the more active VIGs said that they were still learning the State's bidding and contracting processes and that more experience with the program would be useful before making recommendations for changes.

On July 18, 2008 the Governor's Committee on Disability Issues and Employment brought together the active VIGs, General Administration, the Office of Minority and Women Business Enterprises and a broad representation of additional interested stakeholders for second evaluation and assessment session on the Vendor in Good Standing Program. The list of participants, and minutes of that session and a follow up conference call are included as an appendix to this report.

Findings

1) Programs to Improve Employment of People with Disabilities are Needed: The American Community Survey for 2007 found that there were 936,000 people with disabilities living in Washington State. Of the 543,000 working-age people with disabilities in the state, 40.9 percent were working, compared with 80.6 percent of those without a disability. A survey conducted by the National Organization and Disability and the Lou Harris Corporation has found that 66.7 percent of working-age people with disabilities who do not have a job want to be working. Which means that there are roughly 214,000 working-age people with disabilities in Washington who have the desire and drive to support themselves and their families and contribute to the state economy and their communities through the value of their labor. What these people do not have is a job. As a result the poverty rate in Washington State for working-age people with disabilities 25.5 percent, 3.4 times as high as the rate for those without a disability. This is an unsupportable waste of human potential, which leads directly to increased demands on programs providing assistance for income, health care, and housing.

Providing opportunities for increased participation in government contracts is a proven way to improve the economic vitality of disadvantaged communities. Self-employment is an effective alternative for those who would encounter barriers to working for other employers. The level of control over the work environment afforded by self-employment is a particularly important factor for anyone who would need significant work place accommodations for their disabilities.

2) The Contracting Opportunities and Incentives Established by SHB 1813 Have Not Been Sufficient to Achieve the Program's Purpose: SHB 1813 applies to purchased goods and service contracts. It allows a VIGS to engage in a direct negotiation with an agency prior to a bid; requires including a VIG in bids over \$3,300, when one provides the good or service being sought; and allows responsive VIG who has not been identified as the apparent successful bidder an opportunity to improve that bid before the contract is let. However, these incentives have not overcome the following barriers, and no Vendor in Good Standing has succeeded in obtaining a contract under this program. A notable yet underutilized incentive in RCW 43.19.1905 allows state agencies to negotiate directly with these firms, provided that the contracted goods and services offered represent fair market pricing as determined by the Office of State Procurement (OSP). However, negotiating a state contract is a complex endeavor and the additional requirement of obtaining a fair market price assessment may represent one more reason why direct negotiations are not occurring.

Bid Evaluation Criteria Do Not Always Accommodate Special Needs of VIGS: Without advance understanding of the unique needs of VIGS, the specifications or evaluation criteria of some bids may inadvertently hinder VIGs from competing. To better compete, it is imperative that VIGs be engaged early on in the bid development stage instead of after the solicitation has already been published.

There is No Incentive for Subcontracts to Employ VIGs: Incentives for general contractors to include historically marginalized groups as subcontractors for larger projects have been a very successful means for getting those groups past the threshold barriers for participation in state contracts. As subcontractors VIGs would not only provide immediate employment for people who have disabilities, they would also gain experience and build relationships that would make them more effective at securing contracts on their own.

The Program Offers Little Incentive for Businesses Owned and Operated By People with Disabilities: No business owned and operated by a person with a disability has applied to become a VIG. The VIG program is limited to purchased goods and services contracts. Business owners with disabilities who made inquiries about the program have all been providers of training, consulting or other personal services.

3) Linking Eligibility to Demonstrated Progress is a Significant Innovation: SHB 1813 resolved a longstanding impasse among the organizations and advocates working to promote employment and better opportunities for people who have disabilities. For more than a decade, community rehabilitation programs and the organizations representing them had been calling for a way to tap into state contracts as a way to provide more employment for people who have disabilities. Over that time several bills were offered that would have established a State Use contracting program modeled on the federal Ability One Program (formerly JWOD). State rehabilitation agencies and disability advocacy organizations opposed those bills because of concerns that adopting that model would undermine the progress the state has been making in moving people with severe disabilities along a continuum of increasingly integrated jobs with better pay and benefits. All the contending parties shared the same goal of improving employment for people with disabilities, which only increased the sense of frustration felt within the disability community and among the legislators involved. SHB 1813 established a set of criteria for measuring a VIG's progress in moving people with disabilities along the integration continuum. By making a demonstration of

improvements in those criteria a significant factor in determining eligibility to participate in the VIG program SHB 1813 brought the interested parties together. This innovation has been recognized as a promising practice by the Office of Disability Employment Policy in the U.S. Department of Labor and by other states grappling with the same concerns.

4) The Eligibility Criteria and Determination Process are Too Complex: A Community Rehabilitation Program goes through a two-stage eligibility process to become a VIG. First, it is determined by the Department of Social and Health Services to be eligible to be considered a Community Rehabilitation Program. Then it pays a non-refundable application fee and submits documentation of its previous year's performance in twelve areas. This documentation is reviewed by a nine person advisory board, which determines whether the applicant has met or shown progress in a minimum of six of those criteria. A business owned and operated by a person with a disability would go through a three-stage process. First, the business owner must be determined by any one of several listed government programs to be a person with a disability. The second stage is the same as the second stage for a Community Rehabilitation Program. The third stage would be a substantial ownership and control determination by the Office of Women and Minority Business Enterprise.

Some Progress Criteria are Difficult to Evaluate: Criteria based on counts of employees would seem to penalize, rather than reward applicants for moving people with disabilities out into jobs with community employers. The enactment of the Working-Age Adult policy by the Department of Social and Health Services Ageing and Disability Services Administration has made the application of these criteria to services funded through the Department redundant, but the reporting requirements for these criteria do not match the Department's reporting requirements, unnecessarily adding to the difficulty of documenting and reporting progress on the VIG criteria.

Recommendations

1) Improve the Incentives for Agencies to Contract with VIG:

Master Contracts: GA is actively exploring the idea of establishing master contracts with VIGs for the goods and services they provide. The significantly greater ease of purchasing the covered goods and services under those contracts would be a substantial incentive for agencies to purchase from VIGs. If the Office of State Procurement were to prequalify a bidder pool of VIGs that had agreed to conform to the state's standard terms and conditions as well as validate that the pricing offered meets the fair market price test then, all that the agency and vendor would need to negotiate would be the terms and conditions of the scope of work to be performed. By using these master contracts the agency would save the time, resources and costs commonly associated to fulfilling competitive bidding requirements. Agencies would retain the option to conduct a competitive procurement at their discretion. This approach would assure that these vendors would be given genuine opportunity to convince agencies to take advantages of the products and services they offer.

Subcontracts: Allow and encourage general contractors to use the State's master contracts. This would create a significant incentive for a general contractor to use a VIG as a subcontractor, when a VIG master contract covers something that contractor needs to purchase. This change would also have benefits outside the VIG program, including simplifying the preparation and evaluation of those bids that incorporate master contracts for some portions of the bid, and allowing greater consistency and pricing and quality control.

Consulting and Personal Service Contracts: Extend the VIG program and its incentives to consulting and personal service contracts. Incentives limited to contracts for purchased goods and services offer little or no benefit for businesses owned and operated by people with disabilities. Those Business owners with disabilities who are seeking to develop contracts with the State provide training, consulting and other personal services that are not addressed by current program.

2) Clarify and Streamline the Eligibility Criteria and Eligibility Determination Process:

Progress Criteria: Reduce the number of criteria and align those criteria with the performance data that community rehabilitation programs are developing and reporting for state programs that fund vocational services for people who have disabilities. A work group with representation from VIGs, state vocational programs and disability advocacy groups are developing specific recommendations for revised progress criteria as this report is being written.

Progress Evaluation: Apply the progress criteria to the contracts awarded under the VIG Program, rather than to the organizations applying to participate in the program. The current application process requires documentation covering the applicant's entire operation, and evidence of operation wide progress as a prerequisite for participation as a VIG. Subsequent developments, such as the implementation of the Working-Age Adult Policy, have made this approach redundant. The VIG Progress Measures should be applied to performance on contracts obtained under the program, to determine continued eligibility, not as a prerequisite for initial eligibility.

Advisory Committee: Reduce the size of the State Use Advisory Committee from nine members to three, with representation from the Governor's Committee on Disability Issues and Employment, an organization representing community rehabilitation programs and a self-advocacy organization of people who have developmental disabilities. Coordinating the review VIGS Program applications by a nine member advisory committee is cumbersome, time consuming and adds little to the quality of the process.

Application Fee: Reduce the current application fee of \$500 per year to \$150. RCW [50.40.066](#) requires fees to be set a level that would cover the costs of the program and sets the maximum application fee at \$500. The fee was initially set at the maximum to recover costs associated with the development of the enacting regulations, and because the advice provided by the Community Rehabilitation Programs consulted at that time was that this fee would not be a barrier to participation. The on-going cost of the program have been negligible, and a \$500 application fee has proven to be a significant barrier for smaller Community Rehabilitation Programs and even more so for businesses owned and operated by people who have disabilities.

3) Extend the Program an Additional Year: The need to improve employment opportunities for people with disabilities is still as desperate as it was when this program was created. With an enhanced incentive and streamlined eligibility process, this program has the potential to have a significant impact on that need. However, this recommendation is predicated on the implementation of the first key recommendation. This program should not be continued with only its current incentives.

Report: The extension of the VIG program should require a second report assessing the impact of the revised program. The Office of Minority and Women Business Enterprises should join the Governor's Committee on Disability Issues and Employment and the Department of General Administration in preparing and submitting this report, to ensure that the evaluation of the VIG program includes a thorough examination of any impact that enhancing the VIG incentives may have on state contracts awarded to other disadvantaged populations.

Appendix

Substitute House Bill 1813

House Bill 2271

WSR 04-21-091, Proposed Rules, Employment Security Department

Vendor in Good Standing Meeting Minutes, July 18, 2008

Vendor in Good Standing Meeting Minutes, November 12, 2008

CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 1813

58th Legislature
2003 Regular Session

Passed by the House March 14, 2003
Yeas 94 Nays 0

CERTIFICATE

—
Speaker of the House of Representatives

Passed by the Senate April 11, 2003
Yeas 49 Nays 0

—
President of the Senate
Approved

I, Cynthia Zehnder, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 1813** as passed by the House of Representatives and the Senate on the dates hereon set forth.

—
Chief Clerk

FILED

—
Governor of the State of Washington

**Secretary of State
State of Washington**

SUBSTITUTE HOUSE BILL 1813

Passed Legislature - 2003 Regular Session

By 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)

READ FIRST TIME 03/04/03.

AN ACT Relating to employment opportunities for people with disabilities; amending RCW 43.19.520, 43.19.525, 43.19.530, and 43.19.1911; adding new sections to chapter 43.19 RCW; adding new sections to chapter 50.40 RCW; and providing expiration dates.

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

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

It is the intent of the legislature to encourage state agencies and departments to purchase products and/or services manufactured or provided by (~~sheltered workshops and~~):

(1) Community rehabilitation programs of the department of social and health services which operate facilities serving (~~the handicapped and~~) disadvantaged persons and persons with disabilities and have achieved or consistently make progress towards the goal of enhancing opportunities for disadvantaged persons and persons with disabilities to maximize their opportunities for employment and career advancement, and increase the number employed and their wages; and

(2) Until December 31, 2007, businesses owned and operated by persons with disabilities that have achieved or consistently make progress towards the goal of enhancing opportunities for disadvantaged persons and persons with disabilities to maximize their opportunities for employment and career advancement, and increase the number employed and their wages.

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

((As used in RCW 43.19.520 and 43.19.530 the term "sheltered workshops" shall have the meaning ascribed to it by RCW 82.04.385 and)) The definitions in this section apply throughout RCW 43.19.520 through 43.19.530 unless the context clearly requires otherwise.

(1) "Businesses owned and operated by persons with disabilities" means any for-profit business certified under chapter 39.19 RCW as being owned and controlled by persons who have been either:

(a) Determined by the department of social and health services to have a developmental disability, as defined in RCW 71A.10.020;

(b) Determined by an agency established under Title I of the federal vocational rehabilitation act to be or have been eligible for vocational rehabilitation services;

(c) Determined by the federal social security administration to be or have been eligible for either social security disability insurance or supplemental security income; or

(d) Determined by the United States department of veterans affairs to be or have been eligible for vocational rehabilitation services due to service-connected disabilities, under 38 U.S.C. Sec. 3100 et seq.

(2) "Community rehabilitation programs of the department of social and health services" ((shall)) means ((the group training homes and day training centers defined in RCW 72.33.800)) any entity that:

(a) Is registered as a nonprofit corporation with the secretary of state; and

(b) Is recognized by the department of social and health services, division of vocational rehabilitation as eligible to do business as a community rehabilitation program.

(3) "Vendor in good standing" means a business owned and operated by persons with disabilities or a community rehabilitation program, that has been determined under sections 4 and 7 of this act to meet the following criteria:

(a) Has not been in material breach of any quality or performance provision of any contract for the purchase of goods or services during the past thirty-six months; and

(b) Has achieved, or continues to work towards, the goal of enhancing opportunities for disadvantaged persons and persons with disabilities to maximize their opportunities for employment and career advancement, and increase the number employed and their wages, as determined by the governor's committee on disability issues and employment.

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

The state agencies and departments are hereby authorized to purchase products and/or services manufactured or provided by ~~((sheltered workshops and))~~:

(1) Community rehabilitation programs of the department of social and health services; and

(2) Until December 31, 2007, businesses owned and operated by persons with disabilities.

Such purchases shall be at the fair market price of such products and services as determined by the division of purchasing of the department of general administration. To determine the fair market price the division shall use the last comparable bid on the products and/or services or in the alternative the last price paid for the products and/or services. 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 shall be considered in determining fair market price. Upon the establishment of the fair market price as provided for in this section the division is hereby empowered to negotiate directly for the purchase of products or services with ~~((sheltered workshops or))~~ officials in charge of the community rehabilitation programs of the department of social and health services ((for the purchase of the products or services)) and, until December 31, 2007, businesses owned and operated by persons with disabilities.

NEW SECTION. Sec. 4 A new section is added to chapter 43.19 RCW to read as follows:

(1) The department of general administration shall identify in the department's vendor registry all vendors in good standing, as defined in RCW 43.19.525.

(2) The department of general administration shall annually, but no less often than once every fifteen months:

(a) Request that vendors in good standing update their information in the department's vendor registry including but not limited to the Washington state commodity codes for products and services that the vendors propose to offer to state agencies during at least the subsequent fifteen-month period;

(b) Disseminate the information obtained in response to the request made pursuant to (a) of this subsection to at least one purchasing official in each state agency; and

(c) Notify each vendor in good standing of all contracts for the purchase of goods and services by state agencies with respect to which the department of general administration

anticipates either renewing or requesting bids or proposals within at least twelve months of the date of the notice.

(3) The department of general administration and the governor's committee on disability issues and employment shall jointly prepare and, on or before December 31, 2006, issue a report to the governor and the legislature. The report shall describe the activities authorized or required by this act, and their effect on enhancing opportunities for disadvantaged persons and persons with disabilities to maximize their opportunities for employment and career advancement, and increase the number employed and their wages.

(4) This section expires December 31, 2007.

NEW SECTION. Sec. 5 A new section is added to chapter 43.19 RCW to read as follows:

(1) Nothing in this act requires any state agency to take any action that interferes with or impairs an existing contract between any state agency and any other party, including but not limited to any other state agency.

(2) Until December 31, 2007, except as provided under RCW 43.19.1906(2) for purchases up to three thousand dollars, RCW 43.19.534, and subsection (1) of this section, a state agency shall not purchase any product or service identified in the notice most recently disseminated by the department of general administration, as provided under section 4(2)(b) of this act, from other than a vendor in good standing until the state agency has included in the solicitation process at least one vendor in good standing supplying the goods or service needed by the agency, unless no vendor in good standing supplying the goods or service needed by the agency is available.

Sec. 6 RCW 43.19.1911 and 1996 c 69 s 2 are each amended to read as follows:

(1) Preservation of the integrity of the competitive bid system dictates that after competitive bids have been opened, award must be made to that responsible bidder who submitted the lowest responsive bid pursuant to subsections (7) and (9) of this section, unless there is a compelling reason to reject all bids and cancel the solicitation.

(2) Every effort shall be made to anticipate changes in a requirement before the date of opening and to provide reasonable notice to all prospective bidders of any resulting modification or cancellation. If, in the opinion of the purchasing agency, division, or department head, it is not possible to provide reasonable notice, the published date for receipt of bids may be postponed and all known bidders notified. This will permit bidders to change their bids and prevent unnecessary exposure of bid prices. In addition, every effort shall be made to include realistic, achievable requirements in a solicitation.

(3) After the opening of bids, a solicitation may not be canceled and resolicited solely because of an increase in requirements for the items being acquired. Award may be made on the initial solicitation and an increase in requirements may be treated as a new acquisition.

(4) A solicitation may be canceled and all bids rejected before award but after bid opening only when, consistent with subsection (1) of this section, the purchasing agency, division, or department head determines in writing that:

(a) Unavailable, inadequate, ambiguous specifications, terms, conditions, or requirements were cited in the solicitation;

(b) Specifications, terms, conditions, or requirements have been revised;

(c) The supplies or services being contracted for are no longer required;

(d) The solicitation did not provide for consideration of all factors of cost to the agency;

(e) Bids received indicate that the needs of the agency can be satisfied by a less expensive

article differing from that for which the bids were invited;

(f) All otherwise acceptable bids received are at unreasonable prices or only one bid is received and the agency cannot determine the reasonableness of the bid price;

(g) No responsive bid has been received from a responsible bidder; or

(h) The bid process was not fair or equitable.

(5) The agency, division, or department head may not delegate his or her authority under this section.

(6) After the opening of bids, an agency may not reject all bids and enter into direct negotiations to complete the planned acquisition. However, the agency can enter into negotiations exclusively with the lowest responsible bidder in order to determine if the lowest responsible bid may be improved. Until December 31, 2007, for purchases requiring a formal bid process the agency shall also enter into negotiations with and may consider for award the lowest responsible bidder that is a vendor in good standing, as defined in RCW 43.19.525. An agency shall not use this negotiation opportunity to permit a bidder to change a nonresponsive bid into a responsive bid.

(7) In determining the lowest responsible bidder, the agency shall consider any preferences provided by law to Washington products and vendors and to RCW 43.19.704, and further, may take into consideration the quality of the articles proposed to be supplied, their conformity with specifications, the purposes for which required, and the times of delivery.

(8) Each bid with the name of the bidder shall be entered of record and each record, with the successful bid indicated, shall, after letting of the contract, be open to public inspection.

(9) In determining "lowest responsible bidder", in addition to price, the following elements shall be given consideration:

(a) The ability, capacity, and skill of the bidder to perform the contract or provide the service required;

(b) The character, integrity, reputation, judgment, experience, and efficiency of the bidder;

(c) Whether the bidder can perform the contract within the time specified;

(d) The quality of performance of previous contracts or services;

(e) The previous and existing compliance by the bidder with laws relating to the contract or services;

(f) Such other information as may be secured having a bearing on the decision to award the contract: PROVIDED, That in considering bids for purchase, manufacture, or lease, and in determining the "lowest responsible bidder," whenever there is reason to believe that applying the "life cycle costing" technique to bid evaluation would result in lowest total cost to the state, first consideration shall be given by state purchasing activities to the bid with the lowest life cycle cost which complies with specifications. "Life cycle cost" means the total cost of an item to the state over its estimated useful life, including costs of selection, acquisition, operation, maintenance, and where applicable, disposal, as far as these costs can reasonably be determined, minus the salvage value at the end of its estimated useful life. The "estimated useful life" of an item means the estimated time from the date of acquisition to the date of replacement or disposal, determined in any reasonable manner. Nothing in this section shall prohibit any state agency, department, board, commission, committee, or other state-level entity from allowing for preferential purchase of products made from recycled materials or products that may be recycled or reused.

NEW SECTION. Sec. 7 A new section is added to chapter 50.40 RCW to read as follows:

(1) No less frequently than once each year, the governor's committee on disability issues and employment shall determine whether entities seeking to qualify as vendors in good standing, pursuant to this section and section 4 of this act, have achieved, or continue to work towards, the goal of enhancing opportunities for persons of disabilities to maximize their employment and career advancement, and increase the number employed and their wages.

(2) In making the determination provided for in subsection (1) of this section, the governor's committee on disability issues and employment shall appoint and, except in the case of malfeasance or misfeasance, shall rely upon the conclusions of an advisory subcommittee consisting of: (a) Three members chosen from among those current or former clients of a community rehabilitation program who have nominated themselves, at least one of whom must be a person with a developmental disability; (b) one member chosen from among those guardians, parents, or other relatives of a current client or employee of a community rehabilitation program who have nominated themselves; (c) one member chosen from among those who have been nominated by a community rehabilitation program; (d) one member chosen from among those owners of a business owned and operated by persons with disabilities who have nominated themselves; (e) one member who is designated by the developmental disabilities council; (f) one member who is a member of and selected by the governor's committee on disability issues and employment; (g) one member who is designated by the secretary of the department of social and health services; and (h) one member who is designated by the director of the department of services for the blind.

(3) The advisory subcommittee appointed by the governor's committee on disability issues and employment shall conclude that entities seeking to qualify, pursuant to this section and section 4 of this act, as vendors in good standing, have achieved, or continue to work towards, the goal of enhancing opportunities for persons of disabilities to maximize their employment and career advancement, and increase the number employed and their wages if, and only if, the entity provides reasonably conclusive evidence that, during the twelve-month period immediately preceding the entity's application, at least one-half of the following measurement categories applicable to the entity have been either achieved, pursuant to rules established under subsection (4) of this section, or have been improved as compared to the entity's condition with respect to that measurement category one year ago:

(a) The number of people with disabilities in the entity's total work force who are working in integrated settings;

(b) The percentage of the people with disabilities in the entity's total work force who are working in integrated settings;

(c) The number of people with disabilities in the entity's total work force who are working in individual supported employment settings;

(d) The percentage of the people with disabilities in the entity's total work force who are working in individual supported employment settings;

(e) The number of people with disabilities in the entity's total work force who, during the last twelve months, have transitioned to less restrictive employment settings either within the entity or with other community employers;

(f) The number of people with disabilities in the entity's total work force who are earning at least the state minimum wage;

(g) The percentage of the people with disabilities in the entity's total work force who are earning at least the state minimum wage;

- (h) The number of people with disabilities serving in supervisory capacities within the entity;
 - (i) The percentage of supervisory positions within the entity that are occupied by people with disabilities;
 - (j) The number of people with disabilities serving in an ownership capacity or on the governing board of the entity;
 - (k) The ratio of the total amount paid by the entity in wages, salaries, and related employment benefits to people with disabilities, as compared to the amount paid by the entity in wages, salaries, and related employment benefits paid by the entity to persons without disabilities during the previous year; and
 - (l) The percentage of people with disabilities in the entity's total work force for whom the entity has developed a reasonable, achievable, and written career plan.
- (4) The commissioner shall consult with the advisory subcommittee established in subsection (2) of this section to develop and adopt rules establishing the measurement at which it is deemed that the measurement categories identified in subsection (3)(b), (d), (e), (g), (h), (j), (k), and (l) of this section have been achieved.
- (5) This section expires December 31, 2007.

NEW SECTION. Sec. 8 A new section is added to chapter 50.40 RCW to read as follows:

- (1) The commissioner is authorized to adopt rules to implement section 7 of this act, including but not limited to authority to establish (a) a nonrefundable application fee of not more than five hundred dollars to be paid by each entity seeking to establish or renew qualification as a vendor in good standing, pursuant to sections 4 and 7 of this act; (b) a fee of not more than two percent of the face amount of any contract awarded under this act; or (c) both fees identified in (a) and (b) of this subsection.
- (2) The fee or fees established pursuant to subsection (1) of this section must set a level of revenue sufficient to recover costs incurred by the department of general administration in fulfilling the duties identified in section 4 of this act and the governor's committee on disability issues and employment in fulfilling the duties identified in section 7 of this act.
- (3) The vendors in good standing account is created in the custody of the state treasurer. All receipts from the fee or fees established pursuant to subsection (1) of this section must be deposited into the account. Expenditures from the account may be used only for the purpose described in subsection (2) of this section. Expenditures from the account may be authorized only upon the approval of both the director of the department of general administration and the commissioner, or their respective designees. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.
- (4) This section expires December 31, 2007, and any unencumbered funds remaining in the vendors in good standing account on that date shall revert to the general fund.

--- END ---

CERTIFICATION OF ENROLLMENT

HOUSE BILL 2271

59th Legislature
2005 Regular Session

Passed by the House March 9, 2005
Yeas 97 Nays 0

CERTIFICATE

—
Speaker of the House of Representatives

Passed by the Senate April 15, 2005
Yeas 46 Nays 0

—
President of the Senate
Approved

I, Richard Nafziger, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 2271** as passed by the House of Representatives and the Senate on the dates hereon set forth.

—
Chief Clerk

FILED

—
Governor of the State of Washington

**Secretary of State
State of Washington**

HOUSE BILL 2271

Passed Legislature - 2005 Regular Session

By Representatives Miloscia, McDermott, Moeller and Kenney

Read first time 03/02/2005. Referred to Committee on State Government Operations & Accountability.

AN ACT Relating to employment opportunities for people with disabilities; amending RCW 43.19.520, 43.19.530, 43.19.531, 43.19.533, 43.19.1911, 50.40.065, and 50.40.066; and providing expiration dates.

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

Sec. 1 RCW 43.19.520 and 2003 c 136 s 1 are each amended to read as follows:

It is the intent of the legislature to encourage state agencies and departments to purchase products and/or services manufactured or provided by:

(1) Community rehabilitation programs of the department of social and health services which operate facilities serving disadvantaged persons and persons with disabilities and have achieved or consistently make progress towards the goal of enhancing opportunities for disadvantaged persons and persons with disabilities to maximize their opportunities for employment and career advancement, and increase the number employed and their wages; and

(2) Until December 31, (~~2007~~) 2009, businesses owned and operated by persons with disabilities that have achieved or consistently make progress towards the goal of enhancing opportunities for disadvantaged persons and persons with disabilities to maximize their opportunities for employment and career advancement, and increase the number employed and their wages.

Sec. 2 RCW 43.19.530 and 2003 c 136 s 3 are each amended to read as follows:

The state agencies and departments are hereby authorized to purchase products and/or services manufactured or provided by:

(1) Community rehabilitation programs of the department of social and health services; and

(2) Until December 31, (~~2007~~) 2009, businesses owned and operated by persons with disabilities.

Such purchases shall be at the fair market price of such products and services as determined by the division of purchasing of the department of general administration. To determine the fair market price the division shall use the last comparable bid on the products and/or services or in the alternative the last price paid for the products and/or services. 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 shall be considered in determining fair market price. Upon the establishment of the fair market price as provided for in this section the division is hereby empowered to negotiate directly for the purchase of products or services with officials in charge of the community rehabilitation programs of the department of social and health services and, until December 31, 2007, businesses owned and operated by persons with disabilities.

Sec. 3 RCW 43.19.531 and 2003 c 136 s 4 are each amended to read as follows:

(1) The department of general administration shall identify in the department's vendor registry all vendors in good standing, as defined in RCW 43.19.525.

(2) The department of general administration shall annually, but no less often than once every fifteen months:

(a) Request that vendors in good standing update their information in the department's vendor registry including but not limited to the Washington state commodity codes for products and services that the vendors propose to offer to state agencies during at least the subsequent fifteen-month period;

(b) Disseminate the information obtained in response to the request made pursuant to (a) of this subsection to at least one purchasing official in each state agency; and

(c) Notify each vendor in good standing of all contracts for the purchase of goods and services by state agencies with respect to which the department of general administration anticipates either renewing or requesting bids or proposals within at least twelve months of the date of the notice.

(3) The department of general administration and the governor's committee on disability issues and employment shall jointly prepare and, on or before December 31, (~~2006~~) 2008, issue a report to the governor and the legislature. The report shall describe the activities authorized or required by chapter 136, Laws of 2003, and their effect on enhancing opportunities for disadvantaged persons and persons with disabilities to maximize their opportunities for employment and career advancement, and increase the number employed and their wages.

(4) This section expires December 31, (~~2007~~) 2009.

Sec. 4 RCW 43.19.533 and 2003 c 136 s 5 are each amended to read as follows:

(1) Nothing in chapter 136, Laws of 2003 requires any state agency to take any action that interferes with or impairs an existing contract between any state agency and any other party, including but not limited to any other state agency.

(2) Until December 31, (~~2007~~) 2009, except as provided under RCW 43.19.1906(2) for purchases up to three thousand dollars, RCW 43.19.534, and subsection (1) of this section, a state agency shall not purchase any product or service identified in the notice most recently disseminated by the department of general administration, as provided under RCW 43.19.531(2)(b), from other than a vendor in good standing until the state agency has included in the solicitation process at least one vendor in good standing supplying the goods or service needed by the agency, unless no vendor in good standing supplying the goods or service needed by the agency is available.

Sec. 5 RCW 43.19.1911 and 2003 c 136 s 6 are each amended to read as follows:

(1) Preservation of the integrity of the competitive bid system dictates that after competitive bids have been opened, award must be made to that responsible bidder who submitted the lowest responsive bid pursuant to subsections (7) and (9) of this section, unless there is a compelling reason to reject all bids and cancel the solicitation.

(2) Every effort shall be made to anticipate changes in a requirement before the date of opening and to provide reasonable notice to all prospective bidders of any resulting modification or cancellation. If, in the opinion of the purchasing agency, division, or department head, it is not possible to provide reasonable notice, the published date for receipt of bids may be postponed and all known bidders notified. This will permit bidders to change their bids and prevent

unnecessary exposure of bid prices. In addition, every effort shall be made to include realistic, achievable requirements in a solicitation.

(3) After the opening of bids, a solicitation may not be canceled and resolicited solely because of an increase in requirements for the items being acquired. Award may be made on the initial solicitation and an increase in requirements may be treated as a new acquisition.

(4) A solicitation may be canceled and all bids rejected before award but after bid opening only when, consistent with subsection (1) of this section, the purchasing agency, division, or department head determines in writing that:

(a) Unavailable, inadequate, ambiguous specifications, terms, conditions, or requirements were cited in the solicitation;

(b) Specifications, terms, conditions, or requirements have been revised;

(c) The supplies or services being contracted for are no longer required;

(d) The solicitation did not provide for consideration of all factors of cost to the agency;

(e) Bids received indicate that the needs of the agency can be satisfied by a less expensive article differing from that for which the bids were invited;

(f) All otherwise acceptable bids received are at unreasonable prices or only one bid is received and the agency cannot determine the reasonableness of the bid price;

(g) No responsive bid has been received from a responsible bidder; or

(h) The bid process was not fair or equitable.

(5) The agency, division, or department head may not delegate his or her authority under this section.

(6) After the opening of bids, an agency may not reject all bids and enter into direct negotiations to complete the planned acquisition. However, the agency can enter into negotiations exclusively with the lowest responsible bidder in order to determine if the lowest responsible bid may be improved. Until December 31, ((2007)) 2009, for purchases requiring a formal bid process the agency shall also enter into negotiations with and may consider for award the lowest responsible bidder that is a vendor in good standing, as defined in RCW 43.19.525. An agency shall not use this negotiation opportunity to permit a bidder to change a nonresponsive bid into a responsive bid.

(7) In determining the lowest responsible bidder, the agency shall consider any preferences provided by law to Washington products and vendors and to RCW 43.19.704, and further, may take into consideration the quality of the articles proposed to be supplied, their conformity with specifications, the purposes for which required, and the times of delivery.

(8) Each bid with the name of the bidder shall be entered of record and each record, with the successful bid indicated, shall, after letting of the contract, be open to public inspection.

(9) In determining "lowest responsible bidder", in addition to price, the following elements shall be given consideration:

(a) The ability, capacity, and skill of the bidder to perform the contract or provide the service required;

(b) The character, integrity, reputation, judgment, experience, and efficiency of the bidder;

(c) Whether the bidder can perform the contract within the time specified;

(d) The quality of performance of previous contracts or services;

(e) The previous and existing compliance by the bidder with laws relating to the contract or services;

(f) Such other information as may be secured having a bearing on the decision to award the contract: PROVIDED, That in considering bids for purchase, manufacture, or lease, and in

determining the "lowest responsible bidder," whenever there is reason to believe that applying the "life cycle costing" technique to bid evaluation would result in lowest total cost to the state, first consideration shall be given by state purchasing activities to the bid with the lowest life cycle cost which complies with specifications. "Life cycle cost" means the total cost of an item to the state over its estimated useful life, including costs of selection, acquisition, operation, maintenance, and where applicable, disposal, as far as these costs can reasonably be determined, minus the salvage value at the end of its estimated useful life. The "estimated useful life" of an item means the estimated time from the date of acquisition to the date of replacement or disposal, determined in any reasonable manner. Nothing in this section shall prohibit any state agency, department, board, commission, committee, or other state-level entity from allowing for preferential purchase of products made from recycled materials or products that may be recycled or reused.

Sec. 6 RCW 50.40.065 and 2003 c 136 s 7 are each amended to read as follows:

(1) No less frequently than once each year, the governor's committee on disability issues and employment shall determine whether entities seeking to qualify as vendors in good standing, pursuant to this section and RCW 43.19.531, have achieved, or continue to work towards, the goal of enhancing opportunities for persons of disabilities to maximize their employment and career advancement, and increase the number employed and their wages.

(2) In making the determination provided for in subsection (1) of this section, the governor's committee on disability issues and employment shall appoint and, except in the case of malfeasance or misfeasance, shall rely upon the conclusions of an advisory subcommittee consisting of: (a) Three members chosen from among those current or former clients of a community rehabilitation program who have nominated themselves, at least one of whom must be a person with a developmental disability; (b) one member chosen from among those guardians, parents, or other relatives of a current client or employee of a community rehabilitation program who have nominated themselves; (c) one member chosen from among those who have been nominated by a community rehabilitation program; (d) one member chosen from among those owners of a business owned and operated by persons with disabilities who have nominated themselves; (e) one member who is designated by the developmental disabilities council; (f) one member who is a member of and selected by the governor's committee on disability issues and employment; (g) one member who is designated by the secretary of the department of social and health services; and (h) one member who is designated by the director of the department of services for the blind.

(3) The advisory subcommittee appointed by the governor's committee on disability issues and employment shall conclude that entities seeking to qualify, pursuant to this section and RCW 43.19.531, as vendors in good standing, have achieved, or continue to work towards, the goal of enhancing opportunities for persons of disabilities to maximize their employment and career advancement, and increase the number employed and their wages if, and only if, the entity provides reasonably conclusive evidence that, during the twelve-month period immediately preceding the entity's application, at least one-half of the following measurement categories applicable to the entity have been either achieved, pursuant to rules established under subsection (4) of this section, or have been improved as compared to the entity's condition with respect to that measurement category one year ago:

(a) The number of people with disabilities in the entity's total work force who are working in integrated settings;

- (b) The percentage of the people with disabilities in the entity's total work force who are working in integrated settings;
 - (c) The number of people with disabilities in the entity's total work force who are working in individual supported employment settings;
 - (d) The percentage of the people with disabilities in the entity's total work force who are working in individual supported employment settings;
 - (e) The number of people with disabilities in the entity's total work force who, during the last twelve months, have transitioned to less restrictive employment settings either within the entity or with other community employers;
 - (f) The number of people with disabilities in the entity's total work force who are earning at least the state minimum wage;
 - (g) The percentage of the people with disabilities in the entity's total work force who are earning at least the state minimum wage;
 - (h) The number of people with disabilities serving in supervisory capacities within the entity;
 - (i) The percentage of supervisory positions within the entity that are occupied by people with disabilities;
 - (j) The number of people with disabilities serving in an ownership capacity or on the governing board of the entity;
 - (k) The ratio of the total amount paid by the entity in wages, salaries, and related employment benefits to people with disabilities, as compared to the amount paid by the entity in wages, salaries, and related employment benefits paid by the entity to persons without disabilities during the previous year; and
 - (l) The percentage of people with disabilities in the entity's total work force for whom the entity has developed a reasonable, achievable, and written career plan.
- (4) The commissioner shall consult with the advisory subcommittee established in subsection (2) of this section to develop and adopt rules establishing the measurement at which it is deemed that the measurement categories identified in subsection (3)(b), (d), (e), (g), (h), (j), (k), and (l) of this section have been achieved.
- (5) This section expires December 31, (~~2007~~) 2009.

Sec. 7 RCW 50.40.066 and 2003 c 136 s 8 are each amended to read as follows:

- (1) The commissioner is authorized to adopt rules to implement RCW 50.40.065, including but not limited to authority to establish (a) a nonrefundable application fee of not more than five hundred dollars to be paid by each entity seeking to establish or renew qualification as a vendor in good standing, pursuant to RCW 43.19.531 and 50.40.065; (b) a fee of not more than two percent of the face amount of any contract awarded under chapter 136, Laws of 2003; or (c) both fees identified in (a) and (b) of this subsection.
- (2) The fee or fees established pursuant to subsection (1) of this section must set a level of revenue sufficient to recover costs incurred by the department of general administration in fulfilling the duties identified in RCW 43.19.531 and the governor's committee on disability issues and employment in fulfilling the duties identified in RCW 50.40.065.
- (3) The vendors in good standing account is created in the custody of the state treasurer. All receipts from the fee or fees established pursuant to subsection (1) of this section must be deposited into the account. Expenditures from the account may be used only for the purpose described in subsection (2) of this section. Expenditures from the account may be authorized only upon the approval of both the director of the department of general administration and the

commissioner, or their respective designees. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

(4) This section expires December 31, (~~2007~~) 2009, and any unencumbered funds remaining in the vendors in good standing account on that date shall revert to the general fund.

--- END ---

WSR 04-24-091

PROPOSED RULES

EMPLOYMENT SECURITY DEPARTMENT

[Filed December 1, 2004, 10:22 a.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 04-15-034.

Title of Rule and Other Identifying Information: Add new sections to Title 192 WAC expanding employment opportunities for people with disabilities.

Hearing Location(s): Employment Security Department, 1st Floor Conference Room, 605 Woodland Square Loop, Lacey, WA 98503, on January 4, 2005, at 10:00 a.m.

Date of Intended Adoption: January 5, 2005.

Submit Written Comments to: Toby Olson, Employment Security Department, P.O. Box 9046, Olympia, WA 98507-9046, e-mail tolson@esd.wa.gov, fax (360) 438-3208, by January 4, 2005.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: Current law encourages state agencies to contract with "sheltered workshops" by allowing agencies to negotiate contracts directly with the workshops, avoiding the usual bid and review requirements.

This law would transfer that preference from "sheltered workshops" to "community rehabilitation programs" (CRPs) which provide a broader range of employment options and services beyond traditional sheltered employment. It also extends the preference to businesses owned and operated by persons with disabilities. CRPs and business owned and operated by people with disabilities that met some additional criteria are put on a listing of "vendors in good standing" (VIGS). The law would increase the contracting preference for VIGS by requiring any agency purchasing a good or service offered by a VIGS to solicit and consider in good faith a proposal from at least one such vendor before making that purchase.

Reasons Supporting Proposal: SHB 1813, an act relating to employment opportunities for people with disabilities.

Statutory Authority for Adoption: [RCW 50.12.040](#).

Statute Being Implemented: [RCW 50.40.066](#).

Rule is not necessitated by federal law, federal or state court decision.

Agency Comments or Recommendations, if any, as to Statutory Language, Implementation, Enforcement, and Fiscal Matters: Current law encourages state agencies to contract with "sheltered workshops" by allowing agencies to negotiate contracts directly with the workshops, avoiding the usual bid and review and requirements.

This law would transfer that preference from "sheltered workshops" to "Community Rehabilitation Programs" (CRPs) which provide a broader range of employment options and services beyond traditional sheltered employment. It also extends the preference to businesses owned and operated by persons with disabilities. CRPs and business owned and operated by people with disabilities that met some additional criteria are put on a listing of "vendors in good standing" (VIGS). The law would implement a contracting preference for VIGS by requiring any agency purchasing a good or service offered by a VIGS to solicit and consider in good faith a proposal from at least one such vendor before making that purchase.

The law impacts the department in the following ways:

Governor's Committee on Disability Issues and Employment (GCDE) must appoint a subcommittee with a prescribed composition, which shall meet at least once a year to determine whether applicant vendors are CRPs or businesses owned and operated by persons with disabilities and meet a set of criteria established by the legislation, related to demonstrated progress in the promotion of employment opportunities for people who have disabilities. GCDE is required to rely upon the conclusions of this subcommittee except in the case of malfeasance or misfeasance. (General administration would be required to determine whether the applicants met requirements related to performance, quality and cost.)

The adopted rules implement the following: Determination of disability, based on a review of determination documents from certain programs listed in the bill; determination of ownership/control; determination of progress in at least half of the listed criteria of improved employment opportunities for people who have disabilities; levels of achievement of achievement in these criteria beyond which further progress would not be required; and Administrative Procedure Act appeal process covering any of the determinations listed above; and establishing and collecting application fees, and/or a fee based on the value of contracts awarded under this program.

Name of Proponent:

Name of Agency Personnel Responsible for Drafting: Toby Olson, Employment Security Department-GCDE, (360) 438-3168.

No small business economic impact statement has been prepared under [chapter 19.85 RCW](#). No significant small business economic impact anticipated.

A cost-benefit analysis is not required under [RCW 34.05.328](#). The probable benefits of the rule are greater than its probable costs.

November 30, 2004

Dr. Sylvia P. Mundy

Commissioner

OTS-7661.1

Chapter 192-35 WAC

IMPROVING EMPLOYMENT OPPORTUNITIES FOR PEOPLE WITH DISABILITIES THROUGH STATE USE CONTRACTS

NEW SECTION

WAC 192-35-010 Definitions. "Application base" means either the first fifteen applications for vendor in good standing received, or all applications for vendor in good standing received during the first twelve months of the program, whichever is greater at the time an application is being considered.

"Integrated setting" means a setting commonly found in the community (such as a store, office or school) where the individual with a disability comes into contact with nondisabled people who are not providing vocational rehabilitation services or other specialized services to that individual; or a setting commonly found in the community where the individual with a disability comes into contact with nondisabled people as he/she does his/her work. The amount of contact the individual with a disability has with nondisabled people is the same that a nondisabled person in the same type of job would experience.

"Transitioned to a less restrictive employment setting" means any change to an individual's job or work setting, or working conditions that increases that individual's workplace integration, independence from special services or participation in unsubsidized work. Some examples include moving from sheltered to supported employment; or from nonintegrated to integrated employment; or from working for a community rehabilitation program to working for a community employer.

□

NEW SECTION

WAC 192-35-020 The state use advisory committee. The state use advisory committee hereinafter referred to as the SUAC, is established within the governor's committee on disability issues and employment (GCDE). The SUAC shall have the following composition:

(1) Three members chosen by GCDE from among those current or former clients of a community rehabilitation program who have nominated themselves, at least one of whom must be a person with a developmental disability;

(2) One member chosen by GCDE from among those guardians, parents, or other relatives of a current client or employee of a community rehabilitation program who have nominated themselves;

(3) One member chosen by GCDE from among those who have been nominated by a community rehabilitation program;

(4) One member chosen by GCDE from among those owners of a business owned and operated by persons with disabilities who have nominated themselves;

(5) One member who is designated by the developmental disabilities council;

(6) One member who is a member of and selected by GCDE;

(7) One member who is designated by the secretary of the department of social and health services; and

(8) One member who is designated by the director of the department of services for the blind.

□

NEW SECTION

WAC 192-35-030 Meetings. The SUAC shall hold its regular public meeting annually in December. Additional public meetings may be held at such times and places as the board may deem necessary. Notice of all public meetings will be issued as required by the Open Public Meetings Act, [chapter 42.30 RCW](#).

Executive sessions may be held by the board in conjunction with all public meetings, and at such other times as the board shall deem necessary. Executive sessions shall deal only with matters authorized by [RCW 42.30.110](#).

□

NEW SECTION

WAC 192-35-040 Application for listing as a vendor in good standing. The application for listing as a vendor in good standing must be submitted on forms approved by the SUAC and shall be accompanied by additional documentation as follows:

(1) Applications from community rehabilitation programs must be accompanied by:

(a) A document issued by the department of social and health services recognizing the applicant as eligible to do business as a community rehabilitation program; and

(b) A document issued by the secretary of state establishing that the applicant is registered as a nonprofit corporation.

(2) Applications by business owned and operated by persons with disabilities must be accompanied by documentation:

(a) Issued by the department of social and health services establishing that the individual exercising ownership and control has been determined to have a developmental disability as defined in [RCW 71A.10.020](#); or

(b) Issued by an agency established under Title I of the Federal Vocational Rehabilitation Act establishing that the individual exercising ownership and control has been determined to be or have been eligible for vocational rehabilitation services; or

(c) Issued by the United States Social Security Administration establishing that the individual exercising ownership and control has been determined to be or have been eligible for Social Security Disability Insurance or Supplemental Security Income; or

(d) Issued by the United States Department of Veterans Affairs establishing that the individual exercising ownership and control has been determined to be or have been eligible for vocational rehabilitation services due to a service connected disability under 38 U.S.C. Sec. 3100 et seq.

(3) Applications must be accompanied by documentation that objectively demonstrates that the applicant has met or made progress over the previous twelve months toward meeting a minimum of six of the following criteria:

(a) The number of people with disabilities in the entity's total work force who are working in integrated settings. To demonstrate progress for this criterion an applicant's documentation must show that the number of people with disabilities employed by it, and working in an integrated setting, during the quarter immediately preceding the date of application is greater than the number of people with disabilities employed by it, and working in an integrated setting for the same quarter in the previous year. To demonstrate that it has met this criterion, an applicant's documentation must show that the number of people with disabilities employed by it, and working in an integrated setting during the quarter immediately preceding the date of application is at least one standard deviation higher than the norm for this criterion derived from the application base.

(b) The percentage of the people with disabilities in the entity's total work force who are working in integrated settings. To demonstrate progress for this criterion an applicant's documentation must show that the percent of those people with disabilities employed by it and working in an integrated setting, during the quarter immediately preceding the date of application is greater than the percentage of people with disabilities employed by it, and working in an integrated setting for the same quarter in the previous year. To demonstrate that it has met this criterion, an applicant's documentation must show that the percentage of people with disabilities employed by it, and working in an integrated setting, during the quarter immediately preceding the date of application is at least one standard deviation higher than the norm for this criterion derived from the application base.

(c) The number of people with disabilities in the entity's total work force who are working in individual supported employment settings. To demonstrate progress for this criterion an applicant's documentation must show that the number of people with disabilities employed by it, and working in individual supported employment settings, during the quarter immediately preceding the date of application is greater than the number of people with disabilities employed by it, and working in individual supported employment settings for the same quarter for the previous year. To demonstrate that it has met this criterion, an applicant's documentation must show that the number of people with disabilities employed by it, and working in individual employment settings for the quarter immediately preceding the date of application is at least one standard deviation higher than the norm for this criterion derived from the application base.

(d) The percentage of the people with disabilities in the entity's total work force who are working in individual supported employment settings. To demonstrate progress for this criterion an applicant's documentation must show that the percent of people with disabilities among all individuals employed by it, and working in an individual supported employment setting, during the quarter immediately preceding the date of application is greater than the percentage of people with disabilities employed by it, and working in an integrated setting for the same quarter of the previous year. To demonstrate that it has met this criterion, an applicant's documentation must show that the percentage of people with disabilities employed by it, and working in an individual supported employment setting, during the quarter immediately preceding the date of application is at least one standard deviation higher than the norm for this criterion derived from the application base.

(e) The number of people with disabilities in the entity's total work force who, during the last twelve months, have transitioned to less restrictive employment settings either within the entity or with other community employers. To demonstrate progress for this criterion an applicant's documentation must show that the number of people with disabilities who had been employed by it at some point during the twelve months immediately preceding the time of application and had transitioned to less restrictive employment settings during those twelve months either within the entity or with other community employers was greater than the number of such employees who had made such a transition during the prior twelve months. To demonstrate that it has met this criterion, an applicant's documentation must show that the number of people who had been employed by it at some point during the twelve months immediately preceding the time of application and had transitioned to less restrictive employment settings during those twelve months either within the entity or with other community employers at the time of application is at least one standard deviation higher than the norm for this criterion derived from the application base.

(f) The number of people with disabilities in the entity's total work force who are earning at least the state minimum wage. To demonstrate progress for this criterion an applicant's documentation must show that the number of people with disabilities employed by it, who were paid at least the state minimum wage for all hours worked, during the quarter immediately preceding the date of application is greater than the number of people with disabilities employed by it, and paid at least the state minimum wage for all hours worked for the same quarter for the previous year. To demonstrate that it has met this criterion, an applicant's documentation must show that the number of people with disabilities employed by it, and paid at least the state

minimum wage for all hours worked for the same quarter of the previous year is at least one standard deviation higher than the norm for this criterion derived from the application base.

(g) The percentage of the people with disabilities in the entity's total work force who are earning at least the state minimum wage. To demonstrate progress for this criterion an applicant's documentation must show that the percent of people with disabilities among all people with disabilities employed by it, who were paid at least the state minimum wage for all hours worked during the quarter immediately preceding the date of application is greater than the percentage of people with disabilities employed by it, who were paid at least state minimum wage for all hours worked for the same quarter for the previous year. To demonstrate that it has met this criterion, an applicant's documentation must show that the percentage of people with disabilities employed by it, who were paid at least state minimum wage for all hours worked for the quarter immediately preceding the date of application is at least one standard deviation higher than the norm for this criterion derived from the application base.

(h) The number of people with disabilities serving in supervisory capacities within the entity. To demonstrate progress for this criterion an applicant's documentation must show that the number of people with disabilities employed by it in positions in which they supervised the work of other employees during the quarter immediately preceding the date of application is greater than the number of people with disabilities employed by it in such positions during the same quarter for the previous year. To demonstrate that it has met this criterion, an applicant's documentation must show that the number of people with disabilities employed by it in positions in which they supervised the work of other employees during the quarter immediately preceding the date of application is at least one standard deviation higher than the norm for this criterion derived from the application base.

(i) The percentage of supervisory positions within the entity that are occupied by people with disabilities. To demonstrate progress for this criterion an applicant's documentation must show that the percent of people with disabilities among all individuals employed by it in positions in which they supervise the work of other employees during the quarter immediately preceding the date of application is greater than the percentage of people with disabilities employed by it in such positions for the same quarter of the previous year. To demonstrate that it has met this criterion, an applicant's documentation must show that the percentage of people with disabilities employed by it in supervisory positions at the time of application is at least one standard deviation higher than the norm for this criterion derived from the application base.

(j) The number of people with disabilities serving in an ownership capacity or on the governing board of the entity. To demonstrate progress for this criterion an applicant's documentation must show that the number of people with disabilities who exercise ownership and participate in the day to day management of the entity, or who serve in elected or appointed positions on a board with the authority to hire and fire the executive director of the entity during the quarter immediately preceding the date of application is greater than the number of people with disabilities in such positions during the same quarter for the previous year. To demonstrate that it has met this criterion, an applicant's documentation must show that the number of people with disabilities in such positions during the quarter immediately preceding the date of

application is at least one standard deviation higher than the norm for this criterion derived from the application base.

(k) The ratio of the total amount paid by the entity in wages, salaries, and related employment benefits to people with disabilities as compared to the total amount paid by the entity in wages, salaries, and related employment benefits to persons without disabilities during the previous year. To demonstrate progress for this criterion an applicant's documentation must show that the total amount paid by it in wages, salaries, and related employment benefits to people with disabilities during the twelve months immediately preceding the date of application had increased in proportion to the total amount it paid in wages, salaries, and related employment benefits to people who do not have a disability when compared to the ratio of those two figures from the previous year. To demonstrate that it has met this criterion, an applicant's documentation must show that the ratio of the total amount paid by the entity in wages, salaries, and related employment benefits to people with disabilities as compared to the total amount paid by the entity in wages, salaries, and related employment benefits to persons without disabilities for the twelve months immediately preceding the date of application is at least one standard deviation higher than the norm for this criterion derived from the application base.

(l) The percentage of people with disabilities in the entity's total work force for whom the entity has developed a reasonable, achievable, and written career plan. To demonstrate progress for this criterion an applicant's documentation must show that the percent of people with disabilities employed by it, for whom it had developed reasonable, achievable, written career plans, at the time of application was greater than the percentage of people with disabilities employed by it for whom it had developed reasonable, achievable, written career plans one year prior to the time of application. To demonstrate that it has met this criterion, an applicant's documentation must show that the percentage of people with disabilities employed by it for whom it had developed reasonable, achievable, written career plans at the time of application was at least one standard deviation higher than the norm for this criterion derived from the applications submitted that program year.

(4) In the event that the SUAC preliminarily determines that the documentation provided in an application is insufficient to demonstrate objectively that the applicant has made progress in or met at least six of the relevant eligibility criteria under this chapter, the SUAC will communicate that determination to the applicant in writing. The notification will clearly identify the specific criteria for which the SUAC determined the applicant's documentation to be insufficient. The SUAC will hold the application open for up to six months from the date of the notification during which time the applicant may submit additional documentation addressing the identified deficiencies.

(5) Applicants must also provide such documentation as may be required by the department of general administration to establish:

(a) That the applicant has not been in material breach of any quality or performance provision of any contract for the purchase of goods or services during the past thirty-six months; and

(b) Those goods and services for which the applicant is seeking to be listed as a vendor in good standing.

(6) Applicants must also provide such additional information, or documentation as may be required by the office of minority and women's business enterprises for the purpose of determining ownership and exercise of control of a business.

□

NEW SECTION

WAC 192-35-050 Application fees. Applications must be accompanied by the annual application fee of five hundred dollars. The application fee is nonrefundable.

□

NEW SECTION

WAC 192-35-060 Period of eligibility. Applicants will be listed as vendors in good standing for a period of one year beginning on the date of final determination of eligibility to be so listed: Unless, prior to the end of that period, the applicant requests in writing to be removed from that listing; or is found to be in material breach of any quality or performance provision of any contract for the purchase of goods or services. Applications for continued listing or relisting for subsequent periods of eligibility are subject to the same documentation requirements, fees and procedures as initial applications.

□

NEW SECTION

WAC 192-35-070 Denials and appeals. The governor's committee on disability issues and employment will provide written notice when it has determined that an applicant failed to demonstrate that it has met the eligibility criteria for a vendor in good standing. The written notice shall include the basis for that determination; a notification of the applicant's right to appeal; and the address to which an appeal may be submitted. Applicants shall have thirty working days from the date of the notice to file an appeal. All appeals must be in writing.

□

NEW SECTION

WAC 192-35-080 Application of brief adjudicative proceedings. The commissioner adopts [RCW 34.05.482](#) through 34.05.494 for the administration of brief adjudicative proceedings conducted by request pursuant to subsection (1) of this section or at the discretion of the commissioner pursuant to [RCW 34.05.482](#).

(1) If an adjudicative proceeding is requested, a brief adjudicative proceeding will be conducted where the governor's committee on disability issues and employment accepts the recommendation of the state use advisory committee and the matter involves a determination of one or more of the following issues:

(a) Whether an applicant has provided clear documentation that it qualifies under the criteria established by [RCW 43.19.525](#) (1)(a) through (d); or

(b) Whether an applicant has provided clear documentation that it qualifies under the criteria established by [RCW 43.19.525](#) (2)(a) and (b); or

(c) Whether an applicant has provided clear documentation that it qualifies under the criteria established by [RCW 50.40.065](#) (3)(a) through (1).

(2) Brief adjudicative proceedings under subsection (1) of this section will be limited to consideration of the following issues:

(a) In proceedings under subsections (1)(a) and (b) of this section, the sole issue to be considered at the hearing is whether the documentation submitted by an applicant clearly establishes that the applicant has been determined to meet the applicable eligibility criterion or criteria under [RCW 43.19.525](#) (1) or (2) by the agency or agencies authorized to make that determination;

(b) In proceedings under subsection (1)(c) of this section, the sole issue to be considered at the hearing is whether the documentation submitted by the applicant clearly demonstrates that the applicant has either met or made progress over the previous twelve months toward meeting a minimum of six of the criteria established in [RCW 50.40.065](#).

(3) Brief adjudicative proceedings may not be used to appeal a decision by the governor's committee on disability issues and employment to reject a recommendation of the state use advisory committee, based on a finding of misfeasance or malfeasance.

□

NEW SECTION

WAC 192-35-090 Conduct of brief adjudicative proceedings. (1) Brief adjudicative proceedings shall be conducted by a presiding officer appointed by the commissioner or designee in accordance with [RCW 34.05.485](#). The presiding officer for brief adjudicative proceedings shall have agency expertise in the subject matter but must not have personally participated in the decision to issue the initiating document.

(2) The parties or their representatives may present written documentation. The presiding officer for brief adjudicative proceedings shall designate the date by which written documents must be submitted by the parties.

(3) The presiding officer for brief adjudicative proceedings may, at his or her discretion, entertain oral argument from the parties or their representatives.

(4) No witnesses may appear to testify.

(5) In addition to the record, the presiding officer for brief adjudicative proceedings may employ agency expertise as a basis for decision.

(6) The presiding officer for brief adjudicative proceedings will not issue an oral order. Within ten working days of the final date for submission of materials or oral argument, if any, the presiding officer for brief adjudicative proceedings will enter an initial written order.

□

NEW SECTION

WAC 192-35-100 Preliminary record in brief adjudicative proceedings. The preliminary record with respect to an application must consist of:

(1) The application and all associated documents; and

(2) All documents relied upon by the state use advisory committee in proposing to deny the application; and

(3) All correspondence between the applicant and the state use advisory committee regarding the application.

□

NEW SECTION

WAC 192-35-110 Appeal of the brief adjudicative proceedings. (1) Within thirty working days following the issuance of an initial written order, any party, including the department, may file a written appeal of that order with the deputy commissioner.

(2) The deputy commissioner will review the record of the brief adjudicative proceedings under appeal and issue the final written order, within thirty working days of the receipt of the appeal.

(3) The final written order, issued by the deputy commissioner, shall be the department's final decision on all matters subject to these brief adjudicative proceedings.

□

NEW SECTION

WAC 192-35-120 Objections to brief adjudicative proceedings and conversion to formal

adjudicative hearings. (1) At least five working days before the scheduled brief adjudicative proceeding, any party, including the department, may file a written objection to resolution of a matter by a brief adjudicative proceeding and may request that a matter be converted to a formal adjudicative hearing. Upon receiving a timely written objection, the presiding officer shall determine whether the matter should be converted. Regardless of whether any party files a timely objection, the presiding officer may convert any brief adjudicative proceeding to a formal adjudicative hearing whenever it appears that a brief adjudicative proceeding is insufficient to determine the issues pending before the agency.

(2) In determining whether to convert a proceeding, the presiding officer may consider the following factors:

(a) Whether witness testimony will aid the presiding officer in resolving contested issues of fact;

(b) Whether the legal or factual issues are sufficiently complex to warrant a formal adjudicative proceeding, including whether there are multiple issues of fact or law;

(c) Whether a brief adjudicative proceeding will establish an adequate record for further agency or judicial review;

(d) Whether the legal issues involved in the proceeding present questions of legal significance or are being raised for the first time before the agency;

(e) Whether conversion of the proceeding will cause unnecessary delay in resolving the issues; and

(f) Any other factors that the presiding officer deems relevant in reaching a determination.

(3) The written order of the formal adjudicative hearing shall be the department's final decision.

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***Governor's Committee on Disability Issues and Employment
Vendor in Good Standing Meeting Notes and Draft Recommendations
Olympia, WA
July 18, 2008***

Attendees: Representative Mark Miloscia; Andres Aguirre, DVR; Steve Kruger, GA; Ron Gibbs, REW; Cindy Kirchmeier, Morningside; Vicky Schiantarelli, MWE; Patrick Dymond, DSB; Sue Elliott, ARC; Donna Patrick, DDC; Joelle Brouner, Rehab Council; Rob Martin, Chinook Enterprises; Tracy Lyman, Northwest Center; Scott Rapp, Tahoma Associates; Zack Tomlinson, Skookum; Guy Cranor, G & D Consulting; Lorie Christoferson, DVR; Susan Harrell, Washington Initiative for Supported Employment; Irv Abrams, Skookum; Doug Washburn, DSHS/DDD; Toby Olson, GCDE; Jan Peters, GCDE

Toby Olson, GCDE, opened the meeting with introductions and reviewed the background leading to the VIG program as an effort to reconcile a range of constituencies committed to the goal of improving employment opportunities for people with disabilities, but divided in their perceptions of the potential benefit or harm of a JWOD style mandatory state use law.

Representative Miloscia stated that he was aware that the bill was not working as he envisioned it. He stressed to the group that he would like us to bring forward all of our best thinking on what has to be accomplished to achieve success in using the State's contracts to improve employment opportunities for people who have disabilities. If the statute cannot be made to work, the legislation needs to be changed next year. He would like Washington to be a model state and to make this legislation the beginning.

Steve Kruger, GA, shared that there were 5 VIGS in the system. During their time, 3,347 bids have been let. VIGs downloaded 301, and responded to 22 bids, but were not awarded any of those bids.

Recommendations: The discussion raised the following recommendations to improve the Vendor in Good Standing Program.

Application, Eligibility Criteria, and Reporting:

- Reduce the application fee;*
- Reduce the number of eligibility criteria;
- Redraft remaining criteria to,
 - Eliminate apparent conflicts in criteria language,
 - Reward placing workers with disabilities with other employers,
 - Where possible harmonize with other data tracking and reporting requirements, and
 - Provide an independent productivity assessment when someone performing work on a VIG contract receives sub-minimum wage.
- Eliminate the Advisory Committee;
- Simplify the application form;
- Provide on-line application and approval;* and
- Provide active outreach and technical assistance for potential applicants.*

Program Benefit

- Improve advanced notice of future contracts so VIGs can market themselves;*
- Require agencies to report planned/anticipated contracts;

- Hold regular networking and notice of upcoming bid sessions with VIGs, GS contract staff and agency contracting authorities;*
- Expand the program to include additional categories of contracts;
- Provide an incentive for other contractors to hire people with disabilities including VIG, DVR, DSB, DDD and DMH clients; and
- Provide an incentive for larger contractors to partner with VIGs for discrete elements of larger contracts.

* Indicates an improvement that could be undertaken without new statutory authority.

Next Steps:

1) Participants review draft recommendations and provide comments to Jan Peters, who will compile and distribute them to the participants.

2) Hold a conference call of participants to do the following:

- Develop a consensus on recommendations to be endorsed by the group;
- Flesh out recommendations where that is needed and possible;
- Identify recommendations that need additional research or development to support possible legislative language; and
- Recruit volunteers to complete those tasks.

Vendor in Good Standing
November 12, 2008
Conference Call Minutes

Participants:

Toby Olson, Andres Aguirre (DVR) , Bryce Yakon (, Donna Patrick, Guy Cranor, John Theisen (Orion), Ron Gibbs, Scott Rapp, Steve Kruger (General Administration) , Mike Maverick (state procurement), Vicky Schiantarelli, Nikole Patterson (NW Center), Cesilee Coulson for Susan Harris, Jim Corey, Kirk Adams (Lighthouse for the Blind), Paula Hoffman – (Lighthouse for the Blind)

I.

Toby began the meeting by asking Steve Kruger (General Administration) to present his idea for the Vendor in Good Standing Program.

FIRST DRAFT BELOW, CONTACTED STEVE FOR MORE FINAL SUMMARY.....

“To negotiate a master contract for VIGS and CRP services that all state agencies and our co-op members could use. To boost the prospect of having their services available as a contract that all state agencies and political subdivisions might serve as a much improved incentive for VIGS and CRPs to go through the registration process. Furthermore, if a contract is already in place, we believe that our customers would be much more willing to explore the use of a VIG or a CRP to satisfy their needs. It would also alleviate the need for the customer to negotiate and document their own contract with one of these vendors. Bottom line, we’re convinced that this idea would result in business for these vendors and boost participation. What is the point of folks spending \$500 getting certified without guarantee of a contract?

As discussed in the call, measures need to be taken to explore whether or not this could be applied to consulting and other personal service contracts, administratively or whether it would require a change to the statute.

As we proceed with the process, we should be watching for any potential negative impacts on OMWBE programs or OMWABE certified businesses. We should be prepared to mitigate those should they develop.

II. Initial Recommendations and follow-up

A. Reduction of fee to \$100

If person with disability owns business, OMWBE will review.

If OMWBE needs to be involved, GCDE will pay them the \$100.

B. Reduce Eligibility Criteria

Simplify – line up with data that CRPs are already required to report.

ACTION ITEM: People interested in participating should contact Toby and/or Jan

(Thus far – Orion, Chinook, DDC will be asked to participate)

We may have selective recruitment to ensure perspectives & expertise we need.

C. Eliminate Advisory Committee

Develop a recommendation to retain committee but reduce size and simplify requirements.(Reduce size from 9 to 3).

ACTION ITEM: Send out to team for review.

D. Simplify application and criteria

The concept is to simplify criteria, thus simplifying the application.

E. Provide on-line application and approval – yes

F. Provide active outreach and technical assistance for potential applicants.

Participate in GA's tradeshow to develop relationship with agency contract authority. Provide profiles of selected VITS on GA website to help promote awareness of VIGS, program & ease of contracting with VIGS.

III. Program Benefit

- Improve advanced notice of future contracts so VIGs can market themselves; (MASTER CONTRACT)
- Require agencies to report planned/anticipated contracts; (DROP)
- Hold regular networking and notice of upcoming bid sessions with VIGs, GS contract staff and agency contracting authorities; (DROP)
- Expand the program to include additional categories of contracts; (KEEP)
- Provide an incentive for other contractors to hire people with disabilities including VIG, DVR, DSB, DDD and DMH clients; (DROP) and
- Provide an incentive for larger contractors to partner with VIGs for discrete elements of larger contracts.
(Look at 2004 Legislations that allows GA to use Master Contract. Would require legislation.)

Proposal to expand to cover indemnity sheltered workshops is not related.