

---

## DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

---

HB 698 Original

2020 Regular Session

Freeman

**Abstract:** Creates a procedure for designating goods manufactured or services performed by individuals with disabilities as mandatory-use items and requires procurement of such item or service by an agency, board, commission, department, or other instrumentality of the state in certain situations if the good or services has been so designated.

Present law establishes rules and regulations for the procurement of supplies by state agencies and requirements for public contracts. Proposed law retains present law.

Present law establishes a procurement preference for goods manufactured or services performed by individuals with disabilities when provided through a supported employment provider. Defines "supported employment provider" as a nonprofit organization, program or entity which provides gainful employment, training, and rehabilitation services for individuals with disabilities. Defines "individuals with disabilities" as individuals with a physical, behavioral, developmental, intellectual, sensory, mental, or addictive disorder which constitutes a substantial obstacle to their employment. Further defines "goods manufactured and services performed by individuals with disabilities" to mean goods and services for which not less than 40% of the direct man-hours required for manufacture or performance are provided by individuals with disabilities. Proposed law retains present law.

Present law establishes the State Use Council for the Purchase of Goods and Services Provided by Individuals with Disabilities (hereinafter "Council") to facilitate present law preference provisions. Proposed law retains present law. Present law requires the secretary of the La. Dept. of Health to determine the membership of the council. Proposed law repeals this authority. Proposed law further requires the Council to meet at least four times per year.

Proposed law establishes a procedure by which goods manufactured or services rendered by persons with disabilities through a supported employment provider may be designated as "mandatory-use." Such a designation would require agencies, boards, commissions, departments, or other instrumentalities of the state to procure the good or service from the supported employment provider or an authorized distributor unless an exemption provided in proposed law applies to that procuring entity.

The procedure for designating a good or service as "mandatory-use" pursuant to proposed law is:

- (1) The supported employment provider must prepare an application for each good or service and submit it to the central nonprofit agency designated by the Council (pursuant to present

law).

- (2) The central nonprofit agency must review the application and ensure the accuracy of the information. The agency must then route the application with its recommendations and comments to the office of state procurement.
- (3) The office of state procurement must review the application and recommendations received, ensure the information is accurate, and that inclusion of the good or service as a qualified mandatory-use offering would advance the best interests of the state. The office of state procurement must then route the application with its recommendation to the Council.
- (4) The Council must review the application and recommendations and make a final determination whether to designate the good or service as a qualified mandatory-use offering.

Pursuant to proposed law, a good or service may only be designated as mandatory-use *if* the supported employment provider, central nonprofit agency, office of state procurement and Council all agree that its designation is advisable and in accordance with proposed law.

Proposed law sets for certain exemptions that would allow a procuring agency, board, commission, department or instrumentality of the state to not purchase a qualified mandatory-use good or service. Those exemptions include, but are not limited to, procurement during emergency conditions, specifications inconsistent with the procuring entity's needs, use restrictions on funds being used for the procurement, and if the chief procurement officer of the procuring entity determines in writing that the best interest of the state would be advanced by granting an exemption.

Present law authorizes the La. Dept. of Health to promulgate rules to enforce and implement the preference provided for in present law. Proposed law retains present law and further authorizes the Division of Administration to promulgate such rules.

Effective July 1, 2021.

(Amends R.S. 38:2261 and R.S. 39:1604.4)