

HOUSE BILL No. 2256

By Committee on Commerce and Economic Development

2-9

1 AN ACT concerning contracts with minority businesses.

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3 *Be it enacted by the Legislature of the State of Kansas:*

4 Section 1. (a) It is the policy of this state to encourage and
5 promote the use of small contractors, minority contractors, physically
6 disabled contractors, and women contractors in state purchasing of goods
7 and services. All state agencies, institutions and political subdivisions of
8 this state shall cooperate with the department of administration and all
9 other state agencies, institutions and political subdivisions in efforts to
10 encourage the use of small contractors, minority contractors, physically
11 disabled contractors, and women contractors in achieving the purpose of
12 this act, which is to provide for the effective and economical acquisition,
13 management and disposition of goods and services by and through the
14 department of administration.

15 (b)(1) Every governmental agency, institution and political
16 subdivision of this state required by statute to use the services of the
17 department of administration in the purchase of goods and services, every
18 local school administrative unit, and every private, nonprofit corporation
19 other than an institution of higher education or a hospital that receives an
20 appropriation of \$500,000 or more during a fiscal year from the Kansas
21 legislature shall report to the department of administration annually on
22 what percentage of its contract purchases of goods and services, through
23 both term contracts and open market contracts, were from:

24 (A) Minority owned businesses;
25 (B) female owned businesses;
26 (C) disabled owned businesses;
27 (D) disabled business enterprises; and
28 (E) nonprofit work centers for the blind and the severely
29 disabled.

30 (2) Each such governmental agency, institution and political
31 subdivision of this state shall include in its reports what percentage of the
32 contract bids for such purchases were from the businesses listed in
33 paragraph (1). The department of administration shall provide
34 instructions to the reporting entities concerning the manner of reporting
35 and the definitions of the businesses referred to in this act.

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1 (c) For the purposes of this act:

2 (1) "Disabled person" means an individual who has a
3 disability.

4 (2) "Disabled business enterprise" means a nonprofit entity
5 whose main purpose is to provide ongoing habilitation, rehabilitation,
6 independent living, and competitive employment through supported
7 employment sites or businesses operated to provide training and
8 employment and competitive wages for persons who are disabled.

9 (3) "Disability" shall have the meaning ascribed to it in K.S.A.
10 44-1002, and amendments thereto.

11 (4) "Minority group" means one or more of the following:

12 (A) "American Indian" means a person who is a lawful citizen
13 of the United States and has origins in any of the original Indian peoples
14 of North America.

15 (B) "Asian American" means a person who is a lawful citizen
16 of the United States and who has origins in any of the original peoples of
17 the Far East, Southeast Asia, Asia, Indian continent, or Pacific islands.

18 (C) "Black" means a person who is a lawful citizen of the
19 United States and who has origins in any of the black racial groups of
20 Africa.

21 (D) "Disabled" means a person who is a lawful citizen of the
22 United States and who has a disability.

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24 (E) "Disadvantaged" means a person who is a lawful citizen of
25 the United States and who is socially and economically disadvantaged as
26 defined in 15 U.S.C. § 637.

27 (F) "Hispanic" means a person who is a lawful citizen of the
28 United States and who is of Spanish or Portuguese culture having origins
29 in Mexico, South or Central America, or the Caribbean islands, regardless
30 of race.

31 (G) "Woman" means a person who is a lawful citizen of the
32 United States and who is female.

33 (5) "Minority owned business" means a business:

34 (A) In which at least 51% of the business, or of the stock in the
35 case of a corporation, is owned by one or more persons who belong to a
36 minority group; and

37 (B) of which the management and daily business operations
38 are controlled by one or more persons who belong to a minority group
39 and who own such business.

40 (6) "Nonprofit work center for the blind and the severely
41 disabled" means an agency:

42 (A) Organized under the laws of the United States or this state,
43 operated in the interest of the blind and the severely disabled, the net

1 income of which agency does not inure in whole or in part to the benefit
2 of any shareholder or other individual;

3 (B) in compliance with any applicable health and safety
4 standard prescribed by the United States secretary of labor; and

5 (C) in the production of all commodities or provision of
6 services, employs during the current fiscal year severely disabled
7 individuals for:

8 (i) A minimum of 75% of the hours of direct labor required for
9 the production of commodities or provision of services; or

10 (ii) in accordance with the percentage of direct labor required
11 under the terms and conditions of public law 9228 (41 U.S.C. § 46, et
12 seq.) for the production of commodities or provision of services,
13 whichever is less.

14 (7) "State agency" shall have the meaning ascribed to it in
15 K.S.A. 75-3701, and amendments thereto.

16 (d) The department of administration shall compile
17 information on participation in state contracts by small and medium sized
18 businesses subject to this act and report such information as provided in
19 subsection (e). The report shall analyze:

20 (1) Contract awards by business size category;

21 (2) historical trends in small and medium sized business
22 participation in these contracts; and

23 (3) to the extent feasible, participation by small and medium
24 sized businesses in the state procurement process as dealers, service
25 companies, and other indirect forms of participation.

26 The department of administration may require reports on
27 contracting by business size in the same manner as reports are required
28 under subsection (b).

29 (e) The department of administration shall collect and compile
30 the data described in this section and report it annually to the speaker of
31 the house of representatives and to the president of the senate.

32 (f) In seeking contracts with the state, a disabled business
33 enterprise must provide assurances to the secretary of administration that
34 the payments that would be received from the state under these contracts
35 are directed to the training and employment of and payment of
36 competitive wages to disabled employees.

37 Sec. 2. This act shall take effect and be in force from and after its
38 publication in the statute book.

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