

Reprinted 4/77

JAN 26 1977

House File 57 ^{1/28}
State Government ^{Committee for 3088 and 2/25}
Junker, chair
Higgins
Jesse

HOUSE FILE 57

By ADULT PENAL AND CORRECTIONAL SYSTEMS STUDY COMMITTEE

Passed House, Date 4-21-77 (1536) Passed Senate, Date 5/18/77 (P. 1698)
Vote: Ayes 87 Nays 6 Vote: Ayes 22 Nays 14
Approved 7/8/77

motion to reconsider of 1555, w. d. 7/25

A BILL FOR

1 An Act rewriting the requirement that all departments and
2 officials of the state, counties, cities and certain other
3 entities empowered to make purchase of supplies for public
4 purposes purchase such supplies from Iowa state industries
5 under certain circumstances.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HOUSE FILE 57

H-3711

1 Amend the Committee on State Government amend-
2 ment H-3088, to House File 57 as follows:
3 1. Page 1, by striking lines 7 through 21, and
4 inserting in lieu thereof the following:
5 "NEW SECTION. Bid specifications shall not be
6 so restrictive as to exclude products which are sub-
7 stantially equivalent and meet the requirements of
8 the purchasing agency. An aggrieved vendor may
9 appeal the action of the bidding agency in adopting
10 such specifications to the district court not less
11 than five days prior to the time set for opening
12 bids, but not thereafter."

H-3711 FILED - *out of order* BY KRAUSE of Kossuth
APRIL 21, 1977 *with adoption* RINAS of Linn
of 3623 4/28 EGENES of Story

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1 Section 1. Acts of the Sixty-sixth General Assembly, 1976
2 Session, chapter one thousand two hundred forty-five (1245),
3 section five hundred twenty-five (525) of chapter four (4)
4 is amended to read as follows:

5 Sec. 525. Sections one hundred point thirty-seven (100.37),
6 two hundred forty-five point fourteen (245.14), two hundred
7 forty-six point nine (246.9), two hundred forty-six point
8 ten (246.10), ~~two-hundred-forty-six-point-twenty-three~~
9 ~~{246.23}~~, two hundred forty-six point forty-four (246.44),
10 two hundred forty-seven point one (247.1), two hundred forty-
11 seven point two (247.2), two hundred forty-seven point three
12 (247.3), two hundred forty-seven point four (247.4), two
13 hundred forty-seven point five (247.5), two hundred forty-
14 seven point six (247.6), two hundred forty-seven point seven
15 (247.7), two hundred forty-seven point eight (247.8), two
16 hundred forty-seven point nine (247.9), two hundred forty-
17 seven point ten (247.10), two hundred forty-seven point eleven
18 (247.11), two hundred forty-seven point twelve (247.12), two
19 hundred forty-seven point thirteen (247.13), two hundred
20 forty-seven point fourteen (247.14), two hundred forty-seven
21 point fifteen (247.15), two hundred forty-seven point sixteen
22 (247.16), two hundred forty-seven point seventeen (247.17),
23 two hundred forty-seven point eighteen (247.18), two hundred
24 forty-seven point nineteen (247.19), two hundred forty-seven
25 point twenty-four (247.24), two hundred forty-seven point
26 twenty-five (247.25), two hundred forty-seven point twenty-
27 six (247.26), two hundred forty-seven point twenty-seven
28 (247.27), two hundred forty-seven point twenty-eight (247.28),
29 two hundred forty-seven point thirty-three (247.33), two
30 hundred forty-seven A point six (247A.6), two hundred fifty-
31 two point nineteen (252.19), two hundred eighty-seven point
32 four (287.4), two hundred ninety-nine point twelve (299.12),
33 three hundred twenty-one point seventy-six (321.76), three
34 hundred twenty-one point seventy-seven (321.77), three hundred
35 twenty-one point eighty (321.80), three hundred twenty-one

1 point eighty-two (321.82), three hundred twenty-one point
2 eighty-three (321.83), three hundred thirty-four point four
3 (334.4), three hundred thirty-eight point ten (338.10), three
4 hundred forty-three point six (343.6), three hundred fifty-
5 six point thirty-six (356.36), four hundred forty-one point
6 fifty-three (441.53), four hundred fifty-four point twenty-
7 seven (454.27), four hundred seventy-four point forty-one
8 (474.41), four hundred seventy-seven point fifty-eight
9 (477.58), four hundred seventy-seven point fifty-nine (477.59),
10 four hundred seventy-seven point sixty (477.60), four hundred
11 seventy-nine point nineteen (479.19), four hundred seventy-
12 nine point one hundred nine (479.109), four hundred seventy-
13 nine point one hundred ten (479.110), four hundred seventy-
14 nine point one hundred eleven (479.111), four hundred seventy-
15 nine point one hundred twelve (479.112), four hundred seventy-
16 nine point one hundred thirteen (479.113), four hundred
17 seventy-nine point one hundred fourteen (479.114), four hundred
18 seventy-nine point one hundred fifteen (479.115), five hundred
19 eleven point nineteen (511.19), five hundred fifty-two point
20 three (552.3), six hundred two point fifteen (602.15), seven
21 hundred thirteen point one (713.1), seven hundred thirteen
22 point two (713.2), seven hundred thirteen point three (713.3),
23 seven hundred thirteen point four (713.4), seven hundred
24 thirteen point five (713.5), seven hundred thirteen point
25 six (713.6), seven hundred thirteen point seven (713.7), seven
26 hundred thirteen point eight (713.8), seven hundred thirteen
27 point nine (713.9), seven hundred thirteen point ten (713.10),
28 seven hundred thirteen point eleven (713.11), seven hundred
29 thirteen point twelve (713.12), seven hundred thirteen point
30 thirteen (713.13), seven hundred thirteen point fourteen
31 (713.14), seven hundred thirteen point fifteen (713.15), seven
32 hundred thirteen point sixteen (713.16), seven hundred thirteen
33 point twenty-two (713.22), seven hundred thirteen point twenty-
34 three (713.23), seven hundred thirteen point twenty-six
35 (713.26), seven hundred thirteen point twenty-seven (713.27),

1 seven hundred thirteen point twenty-eight (713.28), seven
2 hundred thirteen point twenty-nine (713.29), seven hundred
3 thirteen point thirty (713.30), seven hundred thirteen point
4 thirty-one (713.31), seven hundred thirteen point thirty-two
5 (713.32), seven hundred thirteen point thirty-three (713.33),
6 seven hundred thirteen point thirty-four (713.34), seven
7 hundred thirteen point thirty-five (713.35), seven hundred
8 thirteen point thirty-six (713.36), seven hundred thirteen
9 point thirty-seven (713.37), seven hundred thirteen point
10 thirty-eight (713.38), seven hundred thirteen point thirty-
11 nine (713.39), seven hundred thirteen point forty (713.40),
12 seven hundred thirteen point forty-one (713.41), seven hundred
13 thirteen point forty-two (713.42), seven hundred thirteen
14 point forty-three (713.43), seven hundred forty point one
15 (740.1), seven hundred forty point two (740.2), seven hundred
16 forty point three (740.3), seven hundred forty point four
17 (740.4), seven hundred forty point five (740.5), seven hundred
18 forty point six (740.6), seven hundred forty point seven
19 (740.7), seven hundred forty point eight (740.8), seven hundred
20 forty point nine (740.9), seven hundred forty point ten
21 (740.10), seven hundred forty point eleven (740.11), seven
22 hundred forty point twelve (740.12), seven hundred forty point
23 nineteen (740.19), seven hundred forty point twenty (740.20),
24 seven hundred fifty-three point one (753.1), seven hundred
25 fifty-three point two (753.2), seven hundred fifty-three point
26 three (753.3), seven hundred fifty-three point four (753.4),
27 seven hundred fifty-three point five (753.5), seven hundred
28 fifty-three point six (753.6), seven hundred fifty-three point
29 seven (753.7), seven hundred fifty-three point eight (753.8),
30 and seven hundred fifty-three point nine (753.9), Code 1975,
31 are repealed.

32 Sec. 2. Section eighteen point six (18.6), subsection
33 one (1), Code 1977, is amended to read as follows:

34 1. All items purchased by the department shall be purchased
35 by a competitive bidding procedure. However, the director

1 may exempt by regulation purchases of noncompetitive items
2 and purchases in lots of quantities too small to be effectively
3 purchased by competitive bidding. The director shall exempt
4 by regulation all purchases of items produced and sold by
5 Iowa state industries. Preference shall be given to purchasing
6 Iowa products and purchases from Iowa based businesses if
7 the bids submitted therefor are comparable in price to bids
8 submitted by out-of-state businesses and otherwise meet the
9 required specifications.

10 Sec. 3. Section two hundred forty-six point one (246.1),
11 Code 1977, is amended by adding the following new paragraph:

12 NEW PARAGRAPH. "Iowa state industries" shall mean prison
13 industries that are established and maintained by the state
14 director in connection with the state penitentiary and men's
15 and women's reformatories.

16 Sec. 4. Section two hundred forty-six point twenty-three
17 (246.23), Code 1977, is amended to read as follows:

18 246.23 PURCHASE MANDATORY. No articles or supplies so
19 listed, except in case of emergency, shall be purchased for
20 public use by the aforesaid public officials, bodies, and
21 departments from any private source unless the state director
22 is unable to promptly furnish such similar articles or supplies
23 of comparable quality at comparable prices in a reasonable
24 length of time. The commissioner of the department of social
25 services shall recommend and the council on social services
26 shall adopt a rule setting a specific delivery schedule for
27 the various items produced and sold by Iowa state industries.
28 This delivery schedule shall define what constitutes a
29 reasonable length of time. However, any other delivery
30 schedule may be negotiated by Iowa state industries and a
31 purchaser.

32 Regardless of a requirement to the contrary appearing
33 anywhere else in the Code, bids need not be taken for the
34 purchase of items produced and sold by Iowa state industries.

35 Any public officer who willfully refuses or willfully

1 neglects to comply with this section shall be punished by
2 a fine of not more than one hundred dollars.

3 In the event of a dispute between the purchasing authority
4 and Iowa state industries based on similarity of articles
5 or comparability of quality or price, the matter shall be
6 referred to the director of the department of general services
7 whose decision shall be subject to appeal as provided for
8 in section eighteen point seven (18.7) of the Code.

9 Sec. 5. This Act is effective January 1, 1978.

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EXPLANATION

11 This bill strikes the section of the criminal code revision
12 bill (S.F. 85) which repealed the mandatory purchase section
13 of chapter 246 of the Code as of January 1, 1978.

14 This bill rewrites the current mandatory purchase section
15 to require the state, counties, cities, and certain other
16 entities to purchase certain items (such as office furniture,
17 signs, and janitorial supplies) from Iowa State Industries
18 if such items can be furnished in a reasonable length of time.
19 The commissioner of social services must recommend and the
20 council on social services must adopt a rule setting specific
21 delivery schedules for items produced and sold by Iowa State
22 Industries. Other delivery terms can be negotiated. A
23 dispute-settling mechanism is also provided.

24 The bill is recommended by the Adult Penal and Correctional
25 Systems Study Committee in order to expand industry at the
26 correctional institutions and thereby employ many inmates
27 who do not have jobs at the present time.

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Amend House File 57 as follows:

1. By striking everything after the enacting clause and inserting in lieu thereof the following:

"Section 1. Chapter eighteen (18), division one (1), Code 1977, is amended by adding the following new section:

NEW SECTION. All bid specifications made under this chapter and all other sections of the code which require competitive bidding shall be written to allow as many vendors as possible to submit bids. Any potential vendor who believes the specifications for goods or services were written to arbitrarily preclude or favor a specific potential vendor may appeal the bidding procedure to a district court. Such appeal shall be made within 30 days of the notice to bidders. If the court rules the specifications arbitrarily precluded or favored a specific potential vendor, the agency or governmental subdivision shall pay all court costs including reasonable attorney fees for the complainant and commence new bidding procedures with corrected specifications.

Sec. 2. Section two hundred forty-six point one (246.1), Code 1977, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. "Iowa state industries" shall mean prison industries that are established and maintained by the state director in connection with the state penitentiary and men's and woman's reformatories.

Sec. 3. Chapter two hundred forty-six (246), Code 1977 is amended by inserting after section two hundred forty-six point twenty-one (246.21) the following new section:

NEW SECTION. State agencies and governmental subdivisions of the state, as defined by section eighteen point one (18.1), subsections three (3) and seven (7), Code 1977, shall submit bid documents to the Iowa state industries on each occasion when any of the goods available from the Iowa state industries are needed.

Sec. 4. Section two hundred forty-six point twenty-four (246.24), Code 1977, is amended by striking the section and inserting in lieu thereof the following:

246.24 INFORMATION TO AGENCIES AND GOVERNMENTAL SUBDIVISIONS. The director of general services shall inform all state agencies and governmental subdivisions annually of the requirements of submission of bid documents to the Iowa state industries.

Sec. 5. Section two hundred forty-six point twenty-three (246.23), Code 1977, is repealed."

Page 2

2. Amend the title page, line 1, by striking everything after the word "Act" and inserting in lieu thereof the words "requiring competitive bid specifications of state agencies and governmental subdivisions be written to allow as many vendors as possible to submit bids and setting forth bidding procedures for purchase of goods from Iowa state industries."

3. Amend the title page, by striking lines 2 through 5.

H-3117

1 Amend amendment H-3088 to House File 57 as
2 follows:

3 1. Page 1, by striking lines 7 through 14
4 and inserting in lieu thereof the following:

5 "NEW SECTION. No bid specifications shall be
6 written so that only the product of one vendor
7 can meet the requirements of the purchasing
8 authority. However, if the product to be
9 purchased is unique and available from a single
10 vendor, the above requirement is waived.

11 Any vendor who has probable cause to believe
12 that specifications for a product have been
13 arbitrarily or capriciously established may
14 appeal such arbitrarily or capriciously established
15 standard to the district court. Such appeal".

16 2. Page 1, line 15, by inserting after the
17 word "bidders" the words "or prior to the award
18 of a contract, whichever date occurs first".

H-3117 FILED *Waldman* BY JUNKER of Woodbury
MARCH 1, 1977 *4/20 (1534)* TAUKE of Dubuque

HOUSE FILE 57

H-3623

1 Amend amendment H-3088 to House File 57 as .
2 follows:

3 1. Page 1, by striking lines 7 through 14 and
4 inserting in lieu thereof the following:

5 "NEW SECTION. Bid specifications made under this
6 chapter or any other sections of the code which
7 require competitive bidding shall not be written so
8 the product or services of only one vendor can meet
9 the requirements of the purchasing authority. If
10 the product or services to be purchased is unique
11 and available only from a single vendor, the above
12 requirement is waived. In specifications where a
13 unique product or service is required, the purchas-
14 ing authority shall attach a justification statement
15 to the specifications explaining why that particular
16 product or service is required.

17 Any vendor who has probable cause to believe
18 specifications for a product or service has been
19 arbitrarily or capriciously established may appeal
20 such arbitrarily or capriciously established speci-
21 fications to the agency or the political subdivision
22 promulgating the specifications. If the resolution
23 of the appeal is not satisfactory to the vendor, the
24 vendor may appeal such specifications to the district
25 court. Such appeal".

26 2. Page 1, line 15, by inserting after the word
27 "bidders" the words "or prior to the award of a
28 contract, whichever date occurs first".

H-3623 FILED - *Adopted 4/20* BY JUNKER of Woodbury
APRIL 18, 1977 *(p. 1725)* TAUKE of Dubuque

Iowa State Statute 4/29 Amended per 3472 in To Pen 4/29 (p. 1394)

HOUSE FILE 57

By ADULT PENAL AND CORRECTIONAL
SYSTEMS STUDY COMMITTEE

(As Amended and Passed by the House)

Passed House, ^{as further amended} Date 5-20-77 (2587) Passed Senate, Date 5-18-77 (p. 1693)

Vote: Ayes 85 Nays 4 Vote: Ayes 32 Nays 14

Approved 7-8-77

Repassed Senate as amended by House (2719)
5-20-77 (p. 1860)
41-7

A BILL FOR

1 An Act requiring competitive bid specifications of state
2 agencies and governmental subdivisions be written
3 to allow as many vendors as possible to submit bids
4 and setting forth bidding procedures for purchase of
5 goods from Iowa state industries.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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House Amendments _____

1 Section 1. Chapter eighteen (18), division one (1), Code
2 1977, is amended by adding the following new section:

3 NEW SECTION. Bid specifications made under this chapter
4 or any other sections of the code which require competitive
5 bidding shall not be written so the product or services of
6 only one vendor can meet the requirements of the purchasing
7 authority. If the product or services to be purchased is
8 unique and available only from a single vendor, the above
9 requirement is waived. In specifications where a unique
10 product or service is required, the purchasing authority shall
11 attach a justification statement to the specifications
12 explaining why that particular product or service is required.

13 Any vendor who has probable cause to believe specifications
14 for a product or service has been arbitrarily or capriciously
15 established may appeal such arbitrarily or capriciously
16 established specifications to the agency or the political
17 subdivision promulgating the specifications. If the resolution
18 of the appeal is not satisfactory to the vendor, the vendor
19 may appeal such specifications to the district court. Such
20 appeal shall be made within 30 days of the notice to bidders
21 or prior to the award of a contract, whichever date occurs
22 first. If the court rules the specifications arbitrarily
23 precluded or favored a specific potential vendor, the agency
24 or governmental subdivision shall pay all court costs including
25 reasonable attorney fees for the complainant and commence
26 new bidding procedures with corrected specifications.

27 Sec. 2. Section two hundred forty-six point one (246.1),
28 Code 1977, is amended by adding the following new unnumbered
29 paragraph:

30 NEW UNNUMBERED PARAGRAPH. "Iowa state industries" shall
31 mean prison industries that are established and maintained
32 by the state director in connection with the state penitentiary
33 and men's and women's reformatories.

34 Sec. 3. Chapter two hundred forty-six (246), Code 1977
35 is amended by inserting after section two hundred forty-six

1 point twenty-one (246.21) the following new section:

2 NEW SECTION. State agencies and governmental subdivisions
3 of the state, as defined by section eighteen point one (18.1),
4 subsections three (3) and seven (7), Code 1977, shall submit
5 bid documents to the Iowa state industries on each occasion
6 when any of the goods available from the Iowa state industries
7 are needed.

8 Sec. 4. Section two hundred forty-six point twenty-four
9 (246.24), Code 1977, is amended by striking the section and
10 inserting in lieu thereof the following:

11 246.24 INFORMATION TO AGENCIES AND GOVERNMENTAL
12 SUBDIVISIONS. The director of general services shall inform
13 all state agencies and governmental subdivisions annually
14 of the requirements of submission of bid documents to the
15 Iowa state industries.

16 Sec. 5. Section two hundred forty-six point twenty-three
17 (246.23), Code 1977, is repealed.

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House amendment to Senate amendment to

House File 57

S-3719

1 Amend the Senate amendment H-4280 to House File
2 57 as amended, passed and reprinted by the House,
3 as follows:

4 1. Page 3, by inserting after line 10 the fol-
5 lowing:

6 "In addition, the industries board in consultation
7 with the state director shall submit to the 1978
8 Session of the Sixty-seventh General Assembly, on
9 or before the date it convenes, a report stating:

10 1. What types of industrial endeavors it is appro-
11 priate for Iowa state industries to maintain in order
12 to further the objectives stated in section one (1)
13 of this Act and to meet the needs of the state; and

14 2. Whether, and to what extent, it is necessary
15 to maintain the requirements of section eight (8)
16 of this Act regarding mandatory purchases from Iowa
17 state industries by the state and its political
18 subdivisions, in order for Iowa state industries to
19 achieve and maintain viability."

20 2. Page 3, line 15, by striking the words "subject
21 to" and inserting in lieu thereof the words "listed
22 in".

23 3. Page 3, lines 24 and 25, by striking the words
24 "subject to and are seeking to comply with" and insert-
25 ing in lieu thereof the words "listed in".

26 4. Page 4, line 10, by striking the words "town-
27 ship trustees,".

28 5. Page 4, by striking lines 14 through 23 and
29 inserting in lieu thereof the following:

30 "Sec. 8. NEW SECTION. PURCHASE OF PRODUCTS.

31 1. No product appearing in the price lists pre-
32 pared pursuant to section seven (7) of this Act shall
33 be purchased by any department or agency of state
34 government from any other source, except:

35 a. When the purchase is made under emergency cir-
36 cumstances, which shall be explained in writing by
37 the public body or officer who made or authorized
38 the purchase if the state director so requests; or

39 b. When Iowa state industries is unable to fur-
40 nish needed articles, comparable in both quality and
41 price to those available from alternative sources,
42 within a reasonable length of time. Any disputes
43 arising between a purchasing authority and Iowa state
44 industries regarding similarity of articles, or com-
45 parability of quality or price, or the availability
46 of the product shall be referred to the director of
47 the department of general services, whose decision
48 shall be subject to appeal as provided in section
49 eighteen point seven (18.7) of the Code.

50 2. The state director shall adopt and update as

S-3719

PAGE 2

1 necessary rules setting specific delivery schedules
2 for each of the products manufactured by Iowa state
3 industries. These delivery schedules shall not ap-
4 ply where a different delivery schedule is specifi-
5 cally negotiated by Iowa state industries and a
6 particular purchaser."

7 6. Page 6, line 38, by inserting after the period
8 a closing quotation mark. (").

9 7. Page 6, by striking line 39.

S-3719 FILED

MAY 20, 1977

RECEIVED FROM THE HOUSE

Senate concurred 5/20 (p. 1860)

1 Amend the Senate amendment H-4280 to House File
2 57 as amended, passed and reprinted by the House,
3 as follows:

4 1. Page 3, by inserting after line 10 the fol-
5 lowing:

6 "In addition, the industries board in consultation
7 with the state director shall submit to the 1978
8 Session of the Sixty-seventh General Assembly, on
9 or before the date it convenes, a report stating:

10 1. What types of industrial endeavors it is appro-
11 priate for Iowa state industries to maintain in order
12 to further the objectives stated in section one (1)
13 of this Act and to meet the needs of the state; and

14 2. Whether, and to what extent, it is necessary
15 to maintain the requirements of section eight (8)
16 of this Act regarding mandatory purchases from Iowa
17 state industries by the state and its political
18 subdivisions, in order for Iowa state industries to
19 achieve and maintain viability."

20 2. Page 3, line 15, by striking the words "subject
21 to" and inserting in lieu thereof the words "listed
22 in".

23 3. Page 3, lines 24 and 25, by striking the words
24 "subject to and are seeking to comply with" and insert-
25 ing in lieu thereof the words "listed in".

26 4. Page 4, line 10, by striking the words "town-
27 ship trustees,".

28 5. Page 4, by striking lines 14 through 23 and
29 inserting in lieu thereof the following:

30 "Sec. 8. NEW SECTION. PURCHASE OF PRODUCTS.

31 1. No product appearing in the price lists pre-
32 pared pursuant to section seven (7) of this Act shall
33 be purchased by any department or agency of state
34 government from any other source, except:

35 a. When the purchase is made under emergency cir-
36 cumstances, which shall be explained in writing by
37 the public body or officer who made or authorized
38 the purchase if the state director so requests; or

39 b. When Iowa state industries is unable to fur-
40 nish needed articles, comparable in both quality and
41 price to those available from alternative sources,
42 within a reasonable length of time. Any disputes
43 arising between a purchasing authority and Iowa state
44 industries regarding similarity of articles, or com-
45 parability of quality or price, or the availability
46 of the product shall be referred to the director of
47 the department of general services, whose decision
48 shall be subject to appeal as provided in section
49 eighteen point seven (18.7) of the Code.

50 2. The state director shall adopt and update as

- 1 necessary rules setting specific delivery schedules
- 2 for each of the products manufactured by Iowa state
- 3 industries. These delivery schedules shall not ap-
- 4 ply where a different delivery schedule is specifi-
- 5 cally negotiated by Iowa state industries and a
- 6 particular purchaser."
- 7 6. Page 6, line 38, by inserting after the period
- 8 a closing quotation mark (").
- 9 7. Page 6, by striking line 39.

H-4337 FILED *Adopted 5/20* BY WELDEN of Hardin
MAY 20, 1977 (*p. 2587*) DOYLE of Woodbury
JUNKER of Woodbury
MONROE of Des Moines
GENTLEMAN of Polk
CRABB of Crawford

HOUSE FILE 57

H-4317

- 1 Amend amendment H-4303, to Senate amendment
- 2 H-4280, to House File 57 as passed by the House and
- 3 reprinted, as follows:
- 4 1. Page 1, by inserting after line 13 the
- 5 following:
- 6 "The department of social services and any ad-
- 7 ditional state departments as may be designated by
- 8 the governor to the extent delivery requirements can
- 9 be met, shall purchase items included in the lists
- 10 published under section seven (7) of this Act from
- 11 Iowa state industries. Items for use of the depart-
- 12 ment of social services need not go through the pro-
- 13 cedures of the central purchasing agency of the de-
- 14 partment of general services."

H-4317 FILED *Lost 5/20* BY WELDEN of Hardin
MAY 20, 1977 (*p. 2523*)

SENATE AMENDMENT TO
HOUSE FILE 57

H-4280

1 Amend House File 57 as amended, passed and reprinted
2 by the House, as follows:

3 1. By striking all after the enacting clause and
4 inserting in lieu thereof the following:

5 "Section 1. NEW SECTION. STATEMENT OF INTENT.

6 It is the intent of this Act that there be made
7 available within the state correctional institutions
8 opportunities for employment of inmates in meaningful
9 jobs at wages commensurate with those paid persons
10 employed in similar jobs outside the correctional
11 institutions, with the following objectives:

12 1. To develop within those inmates willing to
13 accept and persevere in such employment:

14 a. Positive attitudes which will enable them to
15 eventually function as law-abiding, self-supporting
16 members of the community;

17 b. Good work habits that will assist them in
18 eventually securing and holding gainful employment
19 outside the correctional system; and

20 c. To the extent feasible, marketable skills that
21 can lead directly to gainful employment upon release
22 from a correctional institution.

23 2. To enable those inmates willing to accept and
24 persevere in such employment to:

25 a. Provide or assist in providing for their
26 dependents, thus tending to strengthen the inmates'
27 family ties while reducing the likelihood that inmates'
28 families will have to rely upon public assistance
29 for subsistence;

30 b. Make restitution, as the opportunity to do
31 so becomes available, to the victims of the offenses
32 for which the inmates were incarcerated, so as to
33 assist the inmates in accepting responsibility for
34 the consequences of their acts;

35 c. Make it feasible to require that such inmates
36 pay some portion of the cost of board and maintenance
37 in a correctional institution, in a manner similar
38 to what would be necessary if they were employed in
39 the community; and

40 d. Accumulate savings so that such inmates will
41 have funds for necessities upon their eventual return
42 to the community.

43 Sec. 2. NEW SECTION. DEFINITIONS. As used in
44 this division:

45 1. "Industries board" means the state prison
46 industries advisory board.

47 2. "Iowa state industries" means prison industries
48 that are established and maintained by the division
49 of adult corrections, in consultation with the
50 industries board, at or adjacent to the state's adult

1 [correctional institutions. 7

2 3. "State director" means the director of the
3 division of adult corrections of the department of
4 social services, or that director's designee.

5 Sec. 3. NEW SECTION. PRISON INDUSTRIES ADVISORY
6 BOARD.

7 1. There is established a state prison industries
8 advisory board, consisting of seven members selected
9 as prescribed by this subsection.

10 a. Five members shall be appointed by the governor
11 for terms of four years beginning July first of the
12 year of appointment. They shall be chosen as follows:

13 (1) Three members shall represent agriculture
14 and the manufacturing and construction industries,
15 respectively, with particular reference to the roles
16 of their constituencies as potential employers of
17 inmates and former inmates of the state's correctional
18 institutions.

19 (2) One member shall represent labor organizations,
20 membership in which may be helpful to former inmates
21 of the state's correctional institutions who seek
22 to train for and obtain gainful employment.

23 (3) One member shall represent agencies, groups
24 and individuals in this state which plan and maintain
25 programs of vocational and technical education oriented
26 to development of marketable skills.

27 b. One member each shall be designated by and
28 shall serve at the pleasure of the state director
29 and the state board of parole, respectively.

30 c. Upon the resignation, death or removal of any
31 member appointed under paragraph a of this subsection,
32 the vacancy shall be filled by the governor for the
33 balance of the unexpired term. In making the initial
34 appointments under that paragraph, the governor shall
35 designate two appointees to serve terms of two years
36 and three to serve terms of four years from July 1,
37 1977.

38 2. Biennially, the industries board shall organize
39 by election of a chairperson and a vice chairperson,
40 as soon as reasonably possible after the new appointees
41 have been named. Other meetings shall be held at
42 the call of the chairperson or of any three members,
43 as necessary to enable the industries board to
44 discharge its duties. Board members shall be
45 reimbursed for expenses actually and necessarily
46 incurred in the discharge of their duties, and those
47 members not state employees shall also be entitled
48 to forty dollars per diem for each day they are so
49 engaged.

50 3. The state director shall provide such

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1 duty of the state director to obtain the advice of
2 the industries board to further the intent stated
3 by section one (1) of this Act.

4 Sec. 7. NEW SECTION. PRICE LISTS TO PUBLIC
5 OFFICIALS. The state director shall cause to be
6 prepared from time to time classified and itemized
7 price lists of the products manufactured by Iowa state
8 industries. Such lists shall be furnished to all
9 boards of supervisors, boards of directors of school
10 corporations, city councils, township trustees, and
11 all other state, county, city and school departments
12 and officials empowered to purchase supplies and
13 equipment for public purposes.

14 Sec. 8. NEW SECTION. PURCHASE MANDATORY.
15 No articles or supplies so listed, except in case
16 of emergency, shall be purchased for public use by
17 the aforesaid public officials, bodies, and de-
18 partments from any private source unless the state
19 director is unable to promptly furnish such articles
20 or supplies. Any public officer who willfully refuses
21 or willfully neglects to comply with this section
22 shall be punished by a fine of not more than one
23 hundred dollars.

24 Sec. 9. NEW SECTION. INDUSTRIES REVOLVING FUND-
25 -USES.

26 1. There is established in the treasury of the
27 state a permanent Iowa state industries revolving
28 fund. This revolving fund shall be created by the
29 transfer thereto of all moneys in the revolving fund
30 formerly established under section two hundred forty-
31 six point twenty-six (246.26) as that section appeared
32 in the Code of 1977 and prior editions, and shall
33 be maintained by depositing therein all receipts from
34 the sale of products manufactured by Iowa state
35 industries, and from sale of any property of Iowa
36 state industries found by the state director to be
37 obsolete or unneeded.

38 2. The Iowa state industries revolving fund shall
39 be used only for the following purposes:

40 a. Establishment, maintenance, transfer or closure
41 of industrial operations, or vocational, technical
42 and related training facilities and services for
43 inmates, at adult correctional institutions, as
44 authorized by the state director in consultation with
45 the industries board.

46 b. Payment of all costs incurred by the industries
47 board, including but not limited to per diem and
48 expenses of its members, and of salaries, support
49 and maintenance of Iowa state industries. Payments
50 from the revolving fund authorized by this subsection

1 administrative and technical assistance as is necessary
2 to enable the industries board to discharge its duties.
3 The industries board shall be provided necessary
4 office and meeting space at the seat of government.

5 Sec. 4. NEW SECTION. DUTIES OF INDUSTRIES BOARD.
6 The industries board's principal duties shall be to
7 promulgate and adopt rules and to advise the state
8 director regarding the management of Iowa state
9 industries so as to further the intent stated by
10 section one (1) of this Act.

11 Sec. 5. NEW SECTION. DUTIES OF STATE DIRECTOR.
12 The state director, with the advice of the industries
13 board, shall:

14 1. Conduct market studies and consult with public
15 bodies and officers who are subject to section seven
16 (7) of this Act, and with other potential purchasers,
17 for the purpose of determining items needed and design
18 features desired or required by potential purchasers
19 of Iowa state industries products.

20 2. Receive, investigate and take appropriate
21 action upon any complaints from potential purchasers
22 of Iowa state industries products regarding lack of
23 cooperation by Iowa state industries with public
24 bodies and officers who are subject to and are seeking
25 to comply with section seven (7) of this Act, and
26 with other potential purchasers.

27 3. Establish, transfer and close industrial
28 operations at state correctional institutions, as
29 deemed advisable to maximize opportunities for gainful
30 employment of inmates and to adjust to actual or
31 potential market demand for particular products.

32 4. Establish and from time to time adjust, as
33 necessary, levels of pay for inmates employed by Iowa
34 state industries.

35 5. Coordinate Iowa state industries, and other
36 opportunities for gainful employment available to
37 inmates of adult correctional institutions, with
38 vocational and technical training opportunities and
39 apprenticeship programs, to the greatest extent
40 feasible.

41 6. Promote, plan, and when deemed advisable,
42 assist in the location of privately owned and operated
43 industrial enterprises on the grounds of adult
44 correctional institutions, pursuant to section ten
45 (10) of this Act.

46 Sec. 6. NEW SECTION. AUTHORITY OF STATE DIRECTOR
47 NOT IMPAIRED. Nothing in this Act shall be construed
48 to impair the authority of the state director over
49 the adult correctional institutions of this state,
50 nor over the inmates thereof. It is, however, the

1 shall be made in the same manner as payments from
2 appropriations for salaries, support and maintenance
3 of the institutions under the jurisdiction of the
4 state director.

5 3. The Iowa state industries revolving fund shall
6 not be used for the operation of farms at any adult
7 correctional institution unless such farms are operated
8 directly by Iowa state industries.

9 4. The fund established by this section shall
10 not revert to the general fund of the state at the
11 end of any annual or biennial period.

12 Sec. 10. NEW SECTION. PRIVATE INDUSTRY ON GROUNDS
13 OF CORRECTIONAL INSTITUTIONS.

14 1. Any other provision of the Code to the contrary
15 notwithstanding, the state director may, after
16 obtaining the advice of the industries board, lease
17 one or more buildings or portions thereof on the
18 grounds of any state adult correctional institution,
19 together with the real estate needed for reasonable
20 access to and egress from the leased buildings, for
21 a term not to exceed twenty years, to a private
22 corporation for the purpose of establishing and
23 operating a factory for the manufacture and processing
24 of products, or any other commercial enterprise deemed
25 by the state director to be consistent with the intent
26 stated in section one (1) of this Act.

27 2. Each lease negotiated and concluded under
28 subsection one (1) of this section shall include,
29 and shall be valid only so long as the lessee adheres
30 to, the following provisions:

31 a. All persons employed in the factory or other
32 commercial enterprise operated in the leased property,
33 except the lessee's supervisory employees and necessary
34 training personnel approved by the industries board,
35 shall be inmates of the institution where the leased
36 property is located who are approved for such employ-
37 ment by the state director and the lessee.

38 b. The factory or other commercial enterprise
39 operated in the leased property shall observe at all
40 times such practices and procedures regarding security
41 as the lease may specify, or as the state director
42 may temporarily stipulate during periods of emergency.

43 c. The factory or other commercial enterprise
44 operated in the leased property shall be deemed a
45 private enterprise and subject to all the laws and
46 lawfully adopted rules of this state governing the
47 operation of similar business enterprises elsewhere.

48 3. Except as prohibited by applicable provisions
49 of the United States Code, inmates of adult
50 correctional institutions of this state may be employed

1 in the manufacture and processing of products for
2 introduction into interstate commerce, so long as
3 they are paid no less than the prevailing minimum
4 wage.

5 Sec. 11. NEW SECTION. INMATE MAINTENANCE
6 EMPLOYEES' PAY SUPPLEMENT REVOLVING FUND. There is
7 established in the treasury of the state a permanent
8 adult correctional institutions inmate maintenance
9 employees' pay supplement revolving fund, consisting
10 solely of money paid as board and maintenance by
11 inmates employed by Iowa state industries, or employed
12 pursuant to section ten (10) of this Act. The fund
13 established by this section shall be used only to
14 supplement the pay of inmates who perform maintenance
15 work within and about the adult correctional
16 institutions. Payments made from such fund shall
17 supplement and not replace all or any part of the
18 pay otherwise received by, and shall be equably
19 distributed among such inmates. The employment of
20 inmates to perform such maintenance functions shall,
21 to the greatest extent feasible, be in accord with
22 the intent stated in section one (1) of this Act.

23 Sec. 12. Effective July 1, 1978, and
24 notwithstanding any other provisions of this Act,
25 goods made available by Iowa State Industries shall
26 be restricted to items, materials, supplies and
27 equipment which are formulated and/or manufactured
28 by Iowa State Industries and shall not include goods,
29 materials, supplies or equipment which are merely
30 purchased by Iowa State Industries for repacking or
31 resale.

32 Sec. 13. Chapter two hundred sixteen (216) and
33 sections two hundred forty-six point twenty-one
34 (246.21), two hundred forty-six point twenty-four
35 (246.24), two hundred forty-six point twenty-six
36 (246.26), two hundred forty-six point twenty-seven
37 (246.27) and two hundred forty-six point twenty-eight
38 (246.28), Code 1977, are repealed.

39 Sec. 14. This Act is effective January 1, 1978."

40 2. Title, line 1, by inserting after the word
41 "Act" the words "to revise the statutes governing
42 Iowa state industries, to establish a state prison
43 industries advisory board, and to authorize the
44 director of the division of adult corrections to lease
45 facilities on the grounds of any state adult
46 correctional institution to a private corporation
47 for the purpose of operating a venture..employing
48 inmates of that institution, and".

49 3. Title, by inserting a period at the end of
50 line 3, and striking lines 4 and 5.

HOUSE FILE 57

H-4311

1 Amend Senate amendment H-4280, to House File
2 57, as passed by the House and reprinted, as follows:
3 1. Page 4, by striking lines 14 through 23 and
4 inserting in lieu thereof the following:

5 "Sec. _____ . NEW SECTION. PURCHASES MANDATORY.

6 1. No product appearing in the price lists
7 prepared pursuant to section seven (7) of this Act
8 shall be purchased by any public body or officer
9 referred to in that section from any other source,
10 except:

11 a. When the purchase is made under emergency
12 circumstances, which shall be explained in writing
13 by the public body or officer who made or authorized
14 the purchase if the state director so requests; or

15 b. When Iowa state industries is unable to
16 furnish needed articles, comparable in both quality
17 and price to those available from alternative sources,
18 within a reasonable length of time. Any disputes
19 arising between a purchasing authority and Iowa state
20 industries regarding similarity of articles or
21 comparability of quality or price shall be referred
22 to the director of the department of general services,
23 whose decision shall be subject to appeal as provided
24 in section eighteen point seven (18.7) of the Code.

25 2. The state director shall adopt and update as
26 necessary rules setting specific delivery schedules
27 for each of the products manufactured by Iowa state
28 industries. These delivery schedules shall define
29 what constitutes a reasonable length of time for
30 purposes of subsection one (1), paragraph b of this
31 section, except where a different delivery schedule
32 is specifically negotiated by Iowa state industries
33 and a particular purchaser.

34 3. Any other provision of the Code to the con-
35 trary notwithstanding, bids need not be taken for
36 the purchase of products manufactured by Iowa state
37 industries."

H-4311 FILED *4/8 5/20* BY JUNKER of Woodbury
MAY 19, 1977 *(p. 2545)* MONROE of Des Moines
SPEAR of Lee

HOUSE FILE 57

H-4303

1 Amend the Senate amendment H-4280 to House File
2 57 as amended, passed and reprinted by the House, as
3 follows:

4 1. Page 4, by striking lines 14 through 23 and
5 inserting in lieu thereof the following:

6 "Sec. 8. NEW SECTION. State agencies and gov-
7 ernmental subdivisions of the state, as defined by
8 section eighteen point one (18.1), subsections three
9 (3) and seven (7), Code 1977, shall submit bid doc-
10 uments to the Iowa state industries on each occasion
11 when goods are purchased which require competitive
12 bids and such goods are available from the Iowa state
13 industries."

H-4303 FILED *Lost 5/20* BY WELDEN of Hardin
MAY 19, 1977 *(2524)*

HOUSE FILE 57

S-3680

1 Amend State Government Committee amendment
2 S-3472, to House File 57 as amended, passed and
3 reprinted by the House as follows:
4 1. Page 6, by striking lines 29 through 31 and
5 inserting in lieu thereof the following: "wage."

S-3680 FILED & ADOPTED (1698) BY BERL E. PRIEBE
MAY 18, 1977 JIM GALLAGHER

HOUSE FILE 57

S-3682

1 Amend the Committee on State Government
2 amendment, S-3472, to House File 57 as follows:
3 1. Page 3, by striking lines 6 through 9 and
4 inserting in lieu thereof the following: "The
5 industries board's principle duties shall be to
6 promulgate and adopt rules and to advise the state
7 director regarding the management of Iowa state
8 industries so as to further the intent stated by
9 section one (1) of this Act."

S-3682 FILED & ADOPTED (1698) BY PHILIP HILL
MAY 18, 1977

HOUSE FILE 57

S-3676

1 Amend the Committee on State Government amendment,
2 S-3472, to House File 57 as amended, passed and reprinted
3 by the House as follows:
4 1. Page 4, line 12, by inserting after the word
5 "purposes." the words "Prices of those products
6 manufactured by Iowa State Industries shall include
7 all costs, both direct and indirect, as determined by
8 generally accepted accounting principles."

S-3676 FILED & LOST (71897) BY DALE L. TIEDEN
MAY 18, 1977

HOUSE FILE 57

S-3677

1 Amend the Committee on State Government amendment,
2 S-3472, to House File 57 as amended, passed and
3 reprinted by the House as follows:
4 1. Page 6, by inserting after line 49, the
5 following:
6 "Sec. _____. Notwithstanding any other provisions
7 of this act, goods made available by Iowa State
8 Industries shall be restricted to items, materials,
9 supplies and equipment which are formulated
10 and/or manufactured by Iowa State Industries and shall
11 not include goods, materials, ~~supplies or equipment~~
12 which are merely purchased by Iowa State Industries
13 for repacking or resale."

S-3677 FILED & WITHDRAWN BY DALE L. TIEDEN
MAY 18, 1977

HOUSE FILE 57

S-3678

1 Amend the Committee on State Government amendment
2 S-3472 to House File 57, as amended, passed and
3 reprinted by the House, as follows:
4 1. Page 6, line 50, by striking the word "Sections"
5 and inserting in lieu thereof the words "Chapter two
6 hundred sixteen (216) and sections".

S-3678 FILED & ADOPTED (1298) BY ROBERT M. CARR
MAY 18, 1977

HOUSE FILE 57

S-3679

1 Amend the Committee on State Government
2 amendment, S-3472, to House File 57 as amended, passed
3 and reprinted by the House as follows:
4 1. Page 6, by inserting after line 49, the
5 following:
6 "Sec. _____. Effective July 1, 1978, and
7 notwithstanding any other provisions of this Act,
8 goods made available by Iowa State Industries shall
9 be restricted to items, materials, supplies and equipment
10 which are formulated and/or manufactured by Iowa State
11 Industries and shall not include goods, materials,
12 supplies or equipment which are merely purchased by
13 Iowa State Industries for repacking or resale."

S-3679 FILED & ADOPTED (1696) BY DALE L. TIEDEN
MAY 18, 1977

S-3509

1 Amend House File 57 as amended, passed and
2 reprinted by the House, as follows:
3 1. Page 1, line 4, by striking the words "or
4 any other sections of the code".

S-3509 FILED - *Out of order with* BY BOB RUSH
MAY 5, 1977 *adoption of 3472*

HOUSE FILE 57

S-3521

1 Amend House File 57, as amended, passed and
2 reprinted by the House as follows:
3 1. Page 2, line 7, by inserting after the word
4 "needed" the words "and the total cost of the purchase
5 would exceed one hundred dollars".

S-3521 FILED - *Out of order with* BY ROLF V. CRAFT
MAY 6, 1977 *adoption of 3472*

HOUSE FILE 57

S-3522

1 Amend the Committee on State Government
2 amendment, S-3472, to House File 57, as amended,
3 passed and reprinted by the House as follows:
4 1. Page 4, by striking lines 13 through 48 and
5 inserting in lieu thereof the following:
6 "Sec. ____ . NEW SECTION. MANDATORY BIDDING.
7 State agencies and governmental subdivisions of the
8 state, as defined by section eighteen point one (18.1),
9 subsections three (3) and seven (7), Code 1977, shall
10 submit bid documents to the Iowa state industries on
11 each occasion when any of the goods available from the
12 Iowa state industries are needed and the total cost of
13 the purchase would exceed one hundred dollars".

S-3522 FILED *4/18 5/18 (p. 1697)* BY ROLF V. CRAFT
MAY 6, 1977

HOUSE FILE 57

S-3622

1 Amend the Committee on State Government amend-
2 ment, S-3472, to House File 57, as amended, passed
3 and reprinted by the House as follows:
4 1. Page 4, by striking lines 13 through 48 and
5 inserting in lieu thereof the following:
6 "Sec. ____ . NEW SECTION. PURCHASE MANDATORY.
7 No articles or supplies so listed, except in
8 case of emergency, shall be purchased for public use
9 by the aforesaid public officials, bodies, and de-
10 partments from any private source unless the state
11 director is unable to promptly furnish such articles
12 or supplies. Any public officer who willfully
13 refuses or willfully neglects to comply with this
14 section shall be punished by a fine of not more than
15 one hundred dollars."

S-3622 FILED *Adopted 5/18 (p. 1697)* BY ROLF V. CRAFT
MAY 17, 1977 ROBERT M. CARR

HOUSE FILE 57

S-3472

1 Amend House File 57 as amended, passed and reprinted
2 by the House, as follows:

3 1. By striking all after the enacting clause and
4 inserting in lieu thereof the following:

5 "Section 1. NEW SECTION. STATEMENT OF INTENT.

6 It is the intent of this Act that there be made
7 available within the state correctional institutions
8 opportunities for employment of inmates in meaningful
9 jobs at wages commensurate with those paid persons
10 employed in similar jobs outside the correctional
11 institutions, with the following objectives:

12 1. To develop within those inmates willing to
13 accept and persevere in such employment:

14 a. Positive attitudes which will enable them to
15 eventually function as law-abiding, self-supporting
16 members of the community;

17 b. Good work habits that will assist them in
18 eventually securing and holding gainful employment
19 outside the correctional system; and

20 c. To the extent feasible, marketable skills that
21 can lead directly to gainful employment upon release
22 from a correctional institution.

23 2. To enable those inmates willing to accept and
24 persevere in such employment to:

25 a. Provide or assist in providing for their
26 dependents, thus tending to strengthen the inmates'
27 family ties while reducing the likelihood that inmates'
28 families will have to rely upon public assistance
29 for subsistence;

30 b. Make restitution, as the opportunity to do
31 so becomes available, to the victims of the offenses
32 for which the inmates were incarcerated, so as to
33 assist the inmates in accepting responsibility for
34 the consequences of their acts;

35 c. Make it feasible to require that such inmates
36 pay some portion of the cost of board and maintenance
37 in a correctional institution, in a manner similar
38 to what would be necessary if they were employed in
39 the community; and

40 d. Accumulate savings so that such inmates will
41 have funds for necessities upon their eventual return
42 to the community.

43 Sec. 2. NEW SECTION. DEFINITIONS. As used in
44 this division:

45 1. "Industries board" means the state prison
46 industries advisory board.

47 2. "Iowa state industries" means prison industries
48 that are established and maintained by the division
49 of adult corrections, in consultation with the
50 industries board, at or adjacent to the state's adult

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1 correctional institutions.

2 3. "State director" means the director of the
3 division of adult corrections of the department of
4 social services, or that director's designee.

5 Sec. 3. NEW SECTION. PRISON INDUSTRIES ADVISORY
6 BOARD.

7 1. There is established a state prison industries
8 advisory board, consisting of seven members selected
9 as prescribed by this subsection.

10 a. Five members shall be appointed by the governor
11 for terms of four years beginning July first of the
12 year of appointment. They shall be chosen as follows:

13 (1) Three members shall represent agriculture
14 and the manufacturing and construction industries,
15 respectively, with particular reference to the roles
16 of their constituencies as potential employers of
17 inmates and former inmates of the state's correctional
18 institutions.

19 (2) One member shall represent labor organizations,
20 membership in which may be helpful to former inmates
21 of the state's correctional institutions who seek
22 to train for and obtain gainful employment.

23 (3) One member shall represent agencies, groups
24 and individuals in this state which plan and maintain
25 programs of vocational and technical education oriented
26 to development of marketable skills.

27 b. One member each shall be designated by and
28 shall serve at the pleasure of the state director
29 and the state board of parole, respectively.

30 c. Upon the resignation, death or removal of any
31 member appointed under paragraph a of this subsection,
32 the vacancy shall be filled by the governor for the
33 balance of the unexpired term. In making the initial
34 appointments under that paragraph, the governor shall
35 designate two appointees to serve terms of two years
36 and three to serve terms of four years from July 1,
37 1977.

38 2. Biennially, the industries board shall organize
39 by election of a chairperson and a vice chairperson,
40 as soon as reasonably possible after the new appointees
41 have been named. Other meetings shall be held at
42 the call of the chairperson or of any three members,
43 as necessary to enable the industries board to
44 discharge its duties. Board members shall be
45 reimbursed for expenses actually and necessarily
46 incurred in the discharge of their duties, and those
47 members not state employees shall also be entitled
48 to forty dollars per diem for each day they are so
49 engaged.

50 3. The state director shall provide such

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PAGE 3

1 administrative and technical assistance as is necessary
2 to enable the industries board to discharge its duties.
3 The industries board shall be provided necessary
4 office and meeting space at the seat of government.

5 Sec. 4. NEW SECTION. DUTIES OF INDUSTRIES BOARD.
6 The industries board's principal duty shall be to
7 advise the state director regarding the management
8 of Iowa state industries so as to further the intent
9 stated by section one (1) of this Act.

10 Sec. 5. NEW SECTION. DUTIES OF STATE DIRECTOR.
11 The state director, with the advice of the industries
12 board, shall:

13 1. Conduct market studies and consult with public
14 bodies and officers who are subject to section seven
15 (7) of this Act, and with other potential purchasers,
16 for the purpose of determining items needed and design
17 features desired or required by potential purchasers
18 of Iowa state industries products.

19 2. Receive, investigate and take appropriate
20 action upon any complaints from potential purchasers
21 of Iowa state industries products regarding lack of
22 cooperation by Iowa state industries with public
23 bodies and officers who are subject to and are seeking
24 to comply with section seven (7) of this Act, and
25 with other potential purchasers.

26 3. Establish, transfer and close industrial
27 operations at state correctional institutions, as
28 deemed advisable to maximize opportunities for gainful
29 employment of inmates and to adjust to actual or
30 potential market demand for particular products.

31 4. Establish and from time to time adjust, as
32 necessary, levels of pay for inmates employed by Iowa
33 state industries.

34 5. Coordinate Iowa state industries, and other
35 opportunities for gainful employment available to
36 inmates of adult correctional institutions, with
37 vocational and technical training opportunities and
38 apprenticeship programs, to the greatest extent
39 feasible.

40 6. Promote, plan, and when deemed advisable,
41 assist in the location of privately owned and operated
42 industrial enterprises on the grounds of adult
43 correctional institutions, pursuant to section ten
44 (10) of this Act.

45 Sec. 6. NEW SECTION. AUTHORITY OF STATE DIRECTOR
46 NOT IMPAIRED. Nothing in this Act shall be construed
47 to impair the authority of the state director over
48 the adult correctional institutions of this state,
49 nor over the inmates thereof. It is, however, the
50 duty of the state director to obtain the advice of

*W. A. S.
P. H. S.
C. S.*

*Al. S.
V. S.
C. S.*

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1 the industries board to further the intent stated
2 by section one (1) of this Act.

3 Sec. 7. NEW SECTION. PRICE LISTS TO PUBLIC
4 OFFICIALS. The state director shall cause to be
5 prepared from time to time classified and itemized
6 price lists of the products manufactured by Iowa state
7 industries. Such lists shall be furnished to all
8 boards of supervisors, boards of directors of school
9 corporations, city councils, township trustees, and
10 all other state, county, city and school departments
11 and officials empowered to purchase supplies and
12 equipment for public purposes.

13 Sec. 8. NEW SECTION. PURCHASES MANDATORY.

14 1. No product appearing in the price lists prepared
15 pursuant to section seven (7) of this Act shall be
16 purchased by any public body or officer referred to
17 in that section from any other source, except:

18 a. When the purchase is made under emergency
19 circumstances, which shall be explained in writing
20 by the public body or officer who made or authorized
21 the purchase if the state director so requests; or

22 b. When Iowa state industries is unable to furnish
23 needed articles, comparable in both quality and price
24 to those available from alternative sources, within
25 a reasonable length of time. Any disputes arising
26 between a purchasing authority and Iowa state
27 industries regarding similarity of articles or
28 comparability of quality or price shall be referred
29 to the director of the department of general services,
30 whose decision shall be subject to appeal as provided
31 in section eighteen point seven (18.7) of the Code.

32 2. The state director shall adopt and update as
33 necessary rules setting specific delivery schedules
34 for each of the products manufactured by Iowa state
35 industries. These delivery schedules shall define
36 what constitutes a reasonable length of time for
37 purposes of subsection one (1), paragraph 1 of this
38 section, except where a different delivery schedule
39 is specifically negotiated by Iowa state industries
40 and a particular purchaser.

41 3. Any other provision of the Code to the contrary
42 notwithstanding, bids need not be taken for the
43 purchase of products manufactured by Iowa state
44 industries.

45 4. Any public officer who willfully refuses or
46 willfully neglects to comply with this section shall
47 be punished by a fine of not more than one hundred
48 dollars for each offense.

49 Sec. 9. NEW SECTION. INDUSTRIES REVOLVING FUND-
50 -USES.

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1 1. There is established in the treasury of the
2 state a permanent Iowa state industries revolving
3 fund. This revolving fund shall be created by the
4 transfer thereto of all moneys in the revolving fund
5 formerly established under section two hundred forty-
6 six point twenty-six (246.26) as that section appeared
7 in the Code of 1977 and prior editions, and shall
8 be maintained by depositing therein all receipts from
9 the sale of products manufactured by Iowa state
10 industries, and from sale of any property of Iowa
11 state industries found by the state director to be
12 obsolete or unneeded.

13 2. The Iowa state industries revolving fund shall
14 be used only for the following purposes:

15 a. Establishment, maintenance, transfer or closure
16 of industrial operations, or vocational, technical
17 and related training facilities and services for
18 inmates, at adult correctional institutions, as
19 authorized by the state director in consultation with
20 the industries board.

21 b. Payment of all costs incurred by the industries
22 board, including but not limited to per diem and
23 expenses of its members, and of salaries, support
24 and maintenance of Iowa state industries. Payments
25 from the revolving fund authorized by this subsection
26 shall be made in the same manner as payments from
27 appropriations for salaries, support and maintenance
28 of the institutions under the jurisdiction of the
29 state director.

30 3. The Iowa state industries revolving fund shall
31 not be used for the operation of farms at any adult
32 correctional institution unless such farms are operated
33 directly by Iowa state industries.

34 4. The fund established by this section shall
35 not revert to the general fund of the state at the
36 end of any annual or biennial period.

37 Sec. 10. NEW SECTION. PRIVATE INDUSTRY ON GROUNDS
38 OF CORRECTIONAL INSTITUTIONS.

39 1. Any other provision of the Code to the contrary
40 notwithstanding, the state director may, after
41 obtaining the advice of the industries board, lease
42 one or more buildings or portions thereof on the
43 grounds of any state adult correctional institution,
44 together with the real estate needed for reasonable
45 access to and egress from the leased buildings, for
46 a term not to exceed twenty years, to a private
47 corporation for the purpose of establishing and
48 operating a factory for the manufacture and processing
49 of products, or any other commercial enterprise deemed
50 by the state director to be consistent with the intent

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1 stated in section one (1) of this Act.

2 2. Each lease negotiated and concluded under
3 subsection one (1) of this section shall include,
4 and shall be valid only so long as the lessee adheres
5 to, the following provisions:

6 a. All persons employed in the factory or other
7 commercial enterprise operated in the leased property,
8 except the lessee's supervisory employees and necessary
9 training personnel approved by the industries board,
10 shall be inmates of the institution where the leased
11 property is located who are approved for such employ-
12 ment by the state director and the lessee.

13 b. The factory or other commercial enterprise
14 operated in the leased property shall observe at all
15 times such practices and procedures regarding security
16 as the lease may specify, or as the state director
17 may temporarily stipulate during periods of emergency.

18 c. The factory or other commercial enterprise
19 operated in the leased property shall be deemed a
20 private enterprise and subject to all the laws and
21 lawfully adopted rules of this state governing the
22 operation of similar business enterprises elsewhere.

23 3. Except as prohibited by applicable provisions
24 of the United States Code, inmates of adult
25 correctional institutions of this state may be employed
26 in the manufacture and processing of products for
27 introduction into interstate commerce, so long as
28 they are paid no less than the prevailing minimum
29 wages for work of a similar nature performed by
30 employees with similar skills in the locality in which
31 the work is being performed.

32 Sec. 11. NEW SECTION. INMATE MAINTENANCE
33 EMPLOYEES' PAY SUPPLEMENT REVOLVING FUND. There is
34 established in the treasury of the state a permanent
35 adult correctional institutions inmate maintenance
36 employees' pay supplement revolving fund, consisting
37 solely of money paid as board and maintenance by
38 inmates employed by Iowa state industries, or employed
39 pursuant to section ten (10) of this Act. The fund
40 established by this section shall be used only to
41 supplement the pay of inmates who perform maintenance
42 work within and about the adult correctional
43 institutions. Payments made from such fund shall
44 supplement and not replace all or any part of the
45 pay otherwise received by, and shall be equably
46 distributed among such inmates. The employment of
47 inmates to perform such maintenance functions shall,
48 to the greatest extent feasible, be in accord with
49 the intent stated in section one (1) of this Act.

50 Sec. 12. Sections two hundred forty-six point

*Work
in lease
provisions*

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1 twenty-one (246.21), two hundred forty-six point
2 twenty-four (246.24), two hundred forty-six point
3 twenty-six (246.26), two hundred forty-six point
4 twenty-seven (246.27) and two hundred forty-six point
5 twenty-eight (246.28), Code 1977, are repealed.
6 Sec. 13. This Act is effective January 1, 1978."
7 2. Title, line 1, by inserting after the word
8 "Act" the words "to revise the statutes governing
9 Iowa state industries, to establish a state prison
10 industries advisory board, and to authorize the
11 director of the division of adult corrections to lease
12 facilities on the grounds of any state adult
13 correctional institution to a private corporation
14 for the purpose of operating a venture employing
15 inmates of that institution, and".
16 3. Title, by inserting a period at the end of
17 line 3, and striking lines 4 and 5.

2
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S-3472 FILED - *Adopted* BY COMMITTEE ON STATE GOVERNMENT
APRIL 29, 1977 *in* MINNETTE F. DODERER, CHAIRPERSON
*amended by 3622, 3679,
3678, 3680, 3682 5/12 (p. 1698)*

HOUSE FILE 57

AN ACT

TO REVISE THE STATUTES GOVERNING IOWA STATE INDUSTRIES, TO ESTABLISH A STATE PRISON INDUSTRIES ADVISORY BOARD, AND TO AUTHORIZE THE DIRECTOR OF THE DIVISION OF ADULT CORRECTIONS TO LEASE FACILITIES ON THE GROUNDS OF ANY STATE ADULT CORRECTIONAL INSTITUTION TO A PRIVATE CORPORATION FOR THE PURPOSE OF OPERATING A VENTURE EMPLOYING INMATES OF THAT INSTITUTION, AND REQUIRING COMPETITIVE BID SPECIFICATIONS OF STATE AGENCIES AND GOVERNMENTAL SUBDIVISIONS BE WRITTEN TO ALLOW AS MANY VENDORS AS POSSIBLE TO SUBMIT BIDS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. NEW SECTION. STATEMENT OF INTENT. It is the intent of this Act that there be made available within the state correctional institutions opportunities for employment of inmates in meaningful jobs at wages commensurate with those paid persons employed in similar jobs outside the correctional institutions, with the following objectives:

1. To develop within those inmates willing to accept and persevere in such employment:
 - a. Positive attitudes which will enable them to eventually function as law-abiding, self-supporting members of the community;
 - b. Good work habits that will assist them in eventually securing and holding gainful employment outside the correctional system; and
 - c. To the extent feasible, marketable skills that can lead directly to gainful employment upon release from a correctional institution.
2. To enable those inmates willing to accept and persevere in such employment to:

- a. Provide or assist in providing for their dependents, thus tending to strengthen the inmates' family ties while reducing the likelihood that inmates' families will have to rely upon public assistance for subsistence;

- b. Make restitution, as the opportunity to do so becomes available, to the victims of the offenses for which the inmates were incarcerated, so as to assist the inmates in accepting responsibility for the consequences of their acts;

- c. Make it feasible to require that such inmates pay some portion of the cost of board and maintenance in a correctional institution, in a manner similar to what would be necessary if they were employed in the community; and

- d. Accumulate savings so that such inmates will have funds for necessities upon their eventual return to the community.

Sec. 2. NEW SECTION. DEFINITIONS. As used in this division:

1. "Industries board" means the state prison industries advisory board.

2. "Iowa state industries" means prison industries that are established and maintained by the division of adult corrections, in consultation with the industries board, at or adjacent to the state's adult correctional institutions.

3. "State director" means the director of the division of adult corrections of the department of social services, or that director's designee.

Sec. 3. NEW SECTION. PRISON INDUSTRIES ADVISORY BOARD.

1. There is established a state prison industries advisory board, consisting of seven members selected as prescribed by this subsection.

- a. Five members shall be appointed by the governor for terms of four years beginning July first of the year of appointment. They shall be chosen as follows:

- (1) Three members shall represent agriculture and the manufacturing and construction industries, respectively, with particular reference to the roles of their constituencies

as potential employers of inmates and former inmates of the state's correctional institutions.

(2) One member shall represent labor organizations, membership in which may be helpful to former inmates of the state's correctional institutions who seek to train for and obtain gainful employment.

(3) One member shall represent agencies, groups and individuals in this state which plan and maintain programs of vocational and technical education oriented to development of marketable skills.

b. One member each shall be designated by and shall serve at the pleasure of the state director and the state board of parole, respectively.

c. Upon the resignation, death or removal of any member appointed under paragraph a of this subsection, the vacancy shall be filled by the governor for the balance of the unexpired term. In making the initial appointments under that paragraph, the governor shall designate two appointees to serve terms of two years and three to serve terms of four years from July 1, 1977.

2. Biennially, the industries board shall organize by election of a chairperson and a vice chairperson, as soon as reasonably possible after the new appointees have been named. Other meetings shall be held at the call of the chairperson or of any three members, as necessary to enable the industries board to discharge its duties. Board members shall be reimbursed for expenses actually and necessarily incurred in the discharge of their duties, and those members not state employees shall also be entitled to forty dollars per diem for each day they are so engaged.

3. The state director shall provide such administrative and technical assistance as is necessary to enable the industries board to discharge its duties. The industries board shall be provided necessary office and meeting space at the seat of government.

Sec. 4. NEW SECTION. DUTIES OF INDUSTRIES BOARD. The industries board's principal duties shall be to promulgate and adopt rules and to advise the state director regarding the management of Iowa state industries so as to further the intent stated by section one (1) of this Act.

In addition, the industries board in consultation with the state director shall submit to the 1978 Session of the Sixty-seventh General Assembly, on or before the date it convenes, a report stating:

1. What types of industrial endeavors it is appropriate for Iowa state industries to maintain in order to further the objectives stated in section one (1) of this Act and to meet the needs of the state; and

2. Whether, and to what extent, it is necessary to maintain the requirements of section eight (8) of this Act regarding mandatory purchases from Iowa state industries by the state and its political subdivisions, in order for Iowa state industries to achieve and maintain viability.

Sec. 5. NEW SECTION. DUTIES OF STATE DIRECTOR. The state director, with the advice of the industries board, shall:

1. Conduct market studies and consult with public bodies and officers who are listed in section seven (7) of this Act, and with other potential purchasers, for the purpose of determining items needed and design features desired or required by potential purchasers of Iowa state industries products.

2. Receive, investigate and take appropriate action upon any complaints from potential purchasers of Iowa state industries products regarding lack of cooperation by Iowa state industries with public bodies and officers who are listed in section seven (7) of this Act, and with other potential purchasers.

3. Establish, transfer and close industrial operations at state correctional institutions, as deemed advisable to maximize opportunities for gainful employment of inmates and

to adjust to actual or potential market demand for particular products.

4. Establish and from time to time adjust, as necessary, levels of pay for inmates employed by Iowa state industries.

5. Coordinate Iowa state industries, and other opportunities for gainful employment available to inmates of adult correctional institutions, with vocational and technical training opportunities and apprenticeship programs, to the greatest extent feasible.

6. Promote, plan, and when deemed advisable, assist in the location of privately owned and operated industrial enterprises on the grounds of adult correctional institutions, pursuant to section ten (10) of this Act.

Sec. 6. NEW SECTION. AUTHORITY OF STATE DIRECTOR NOT IMPAIRED. Nothing in this Act shall be construed to impair the authority of the state director over the adult correctional institutions of this state, nor over the inmates thereof. It is, however, the duty of the state director to obtain the advice of the industries board to further the intent stated by section one (1) of this Act.

Sec. 7. NEW SECTION. PRICE LISTS TO PUBLIC OFFICIALS. The state director shall cause to be prepared from time to time classified and itemized price lists of the products manufactured by Iowa state industries. Such lists shall be furnished to all boards of supervisors, boards of directors of school corporations, city councils, and all other state, county, city and school departments and officials empowered to purchase supplies and equipment for public purposes.

Sec. 8. NEW SECTION. PURCHASE OF PRODUCTS.

1. No product appearing in the price lists prepared pursuant to section seven (7) of this Act shall be purchased by any department or agency of state government from any other source, except:

a. When the purchase is made under emergency circumstances, which shall be explained in writing by the public

body or officer who made or authorized the purchase if the state director so requests; or

b. When Iowa state industries is unable to furnish needed articles, comparable in both quality and price to those available from alternative sources, within a reasonable length of time. Any disputes arising between a purchasing authority and Iowa state industries regarding similarity of articles, or comparability of quality or price, or the availability of the product shall be referred to the director of the department of general services, whose decision shall be subject to appeal as provided in section eighteen point seven (18.7) of the Code.

2. The state director shall adopt and update as necessary rules setting specific delivery schedules for each of the products manufactured by Iowa state industries. These delivery schedules shall not apply where a different delivery schedule is specifically negotiated by Iowa state industries and a particular purchaser.

Sec. 9. NEW SECTION. INDUSTRIES REVOLVING FUND--USES.

1. There is established in the treasury of the state a permanent Iowa state industries revolving fund. This revolving fund shall be created by the transfer thereto of all moneys in the revolving fund formerly established under section two hundred forty-six point twenty-six (246.26) as that section appeared in the Code of 1977 and prior editions, and shall be maintained by depositing therein all receipts from the sale of products manufactured by Iowa state industries, and from sale of any property of Iowa state industries found by the state director to be obsolete or unneeded.

2. The Iowa state industries revolving fund shall be used only for the following purposes:

a. Establishment, maintenance, transfer or closure of industrial operations, or vocational, technical and related training facilities and services for inmates, at adult correctional institutions, as authorized by the state director

in consultation with the industries board.

b. Payment of all costs incurred by the industries board, including but not limited to per diem and expenses of its members, and of salaries, support and maintenance of Iowa state industries. Payments from the revolving fund authorized by this subsection shall be made in the same manner as payments from appropriations for salaries, support and maintenance of the institutions under the jurisdiction of the state director.

3. The Iowa state industries revolving fund shall not be used for the operation of farms at any adult correctional institution unless such farms are operated directly by Iowa state industries.

4. The fund established by this section shall not revert to the general fund of the state at the end of any annual or biennial period.

Sec. 10. NEW SECTION. PRIVATE INDUSTRY ON GROUNDS OF CORRECTIONAL INSTITUTIONS.

1. Any other provision of the Code to the contrary notwithstanding, the state director may, after obtaining the advice of the industries board, lease one or more buildings or portions thereof on the grounds of any state adult correctional institution, together with the real estate needed for reasonable access to and egress from the leased buildings, for a term not to exceed twenty years, to a private corporation for the purpose of establishing and operating a factory for the manufacture and processing of products, or any other commercial enterprise deemed by the state director to be consistent with the intent stated in section one (1) of this Act.

2. Each lease negotiated and concluded under subsection one (1) of this section shall include, and shall be valid only so long as the lessee adheres to, the following provisions:

a. All persons employed in the factory or other commercial

enterprise operated in the leased property, except the lessee's supervisory employees and necessary training personnel approved by the industries board, shall be inmates of the institution where the leased property is located who are approved for such employment by the state director and the lessee.

b. The factory or other commercial enterprise operated in the leased property shall observe at all times such practices and procedures regarding security as the lease may specify, or as the state director may temporarily stipulate during periods of emergency.

c. The factory or other commercial enterprise operated in the leased property shall be deemed a private enterprise and subject to all the laws and lawfully adopted rules of this state governing the operation of similar business enterprises elsewhere.

3. Except as prohibited by applicable provisions of the United States Code, inmates of adult correctional institutions of this state may be employed in the manufacture and processing of products for introduction into interstate commerce, so long as they are paid no less than the prevailing minimum wage.

Sec. 11. NEW SECTION. INMATE MAINTENANCE EMPLOYEES' PAY SUPPLEMENT REVOLVING FUND. There is established in the treasury of the state a permanent adult correctional institutions inmate maintenance employees' pay supplement revolving fund, consisting solely of money paid as board and maintenance by inmates employed by Iowa state industries, or employed pursuant to section ten (10) of this Act. The fund established by this section shall be used only to supplement the pay of inmates who perform maintenance work within and about the adult correctional institutions. Payments made from such fund shall supplement and not replace all or any part of the pay otherwise received by, and shall be equably distributed among such inmates. The employment of inmates to perform such maintenance functions shall, to the greatest

extent feasible, be in accord with the intent stated in section one (1) of this Act.

Sec. 12. Effective July 1, 1978, and notwithstanding any other provisions of this Act, goods made available by Iowa State Industries shall be restricted to items, materials, supplies and equipment which are formulated and/or manufactured by Iowa State Industries and shall not include goods, materials, supplies or equipment which are merely purchased by Iowa State Industries for repacking or resale.

Sec. 13. Chapter two hundred sixteen (216) and sections two hundred forty-six point twenty-one (246.21), two hundred forty-six point twenty-four (246.24), two hundred forty-six point twenty-six (246.26), two hundred forty-six point twenty-seven (246.27) and two hundred forty-six point twenty-eight (246.28), Code 1977, are repealed.

DALE M. COCHRAN
Speaker of the House

ARTHUR A. NEU
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 57, Sixty-seventh General Assembly.

DAVID L. WRAY
Chief Clerk of the House

Approved 7/8, 1977

ROBERT D. RAY
Governor