

**REPORT OF THE VIRGINIA DEPARTMENT OF
GENERAL SERVICES AND THE VIRGINIA
DEPARTMENT OF CORRECTIONS**

**Virginia Correctional Enterprises
(HB263, 2012)**

**TO THE GOVERNOR AND
THE GENERAL ASSEMBLY OF VIRGINIA**



HOUSE DOCUMENT NO. 17

**COMMONWEALTH OF VIRGINIA
RICHMOND
2012**



COMMONWEALTH of VIRGINIA

Department of Corrections

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November 27, 2012

The Honorable Robert F. McDonnell
Governor of Virginia
Patrick Henry Building, 3rd Floor
1111 East Broad Street
Richmond, Virginia 23219

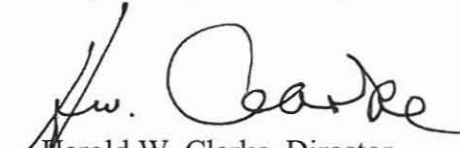
Members of the Virginia General Assembly
General Assembly Building
Richmond, Virginia 23219

Dear Governor McDonnell and Members of the General Assembly:

House Bill 263, introduced by Delegates Christopher K. Peace and Richard P. Bell and agreed to by the 2012 General Assembly, requested a report from the Director of the Department of General Services and the Director of the Department of Corrections to the Governor and General Assembly on the impact of the provisions of this act, including any cost savings to the Commonwealth, any efficiencies realized, and the impact on prisoner re-entry and safety in correctional institutions.

In keeping with the requirements of House Bill 263, this final report by the Department of Corrections and the Department of General Services is enclosed for your review and consideration.

Respectfully submitted,


Harold W. Clarke, Director
Virginia Department of Corrections

Preface

In 2012, the Virginia General Assembly passed House Bill 263 which provides that the Director of the Division of Purchases and Supply and the Chief Executive Officer of Virginia Correctional Enterprises have the authority under § 53.1-48 to grant exemptions from mandatory procurement of articles produced or manufactured by persons confined in state correctional facilities. The exemption may be granted in any case where (1) the article does not meet the reasonable requirements of the department, institution or agency, (2) an identical article can be obtained at a verified lesser cost from the private sector, or (3) the requisition made cannot be complied with due to an insufficient supply of the articles or supplies required. The bill also has an enactment clause directing the Director of the Department of General Services (DGS) and the Director of the Department of Corrections (DOC) to report to the Governor and General Assembly on the impact of the provisions of this act, including any cost savings to the Commonwealth, any efficiencies realized, and the impact on prisoner re-entry and safety in correctional institutions. Specifically, the enactment clause of the legislation states:

“...the Director of the Department of General Services and the Director of the Department of Corrections shall report to the Governor and the General Assembly on the impact of the implementation of the provisions of this act, including any cost savings to the Commonwealth, any efficiencies realized, and the impact on prisoner re-entry and safety in correctional institutions. The Departments may include in the report recommendations for improvement of the process that is the subject of this act.”

House Bill 263 may be found in Appendix A.

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Executive Summary

House Bill 263 amended § 53.1-48 in the 2012 General Assembly session. Information provided in this report is based on data for four months beginning July 1, 2012 through October 31, 2012. The bill contained an enactment clause directing the Director of the Department of General Services (DGS) and the Director of the Department of Corrections (DOC) to report to the Governor and General Assembly on the impact of the provisions of this act, including any cost savings to the Commonwealth, any efficiencies realized, and the impact on prisoner re-entry and safety in correctional institutions. Specifically, the enactment clause of the legislation states:

“...the Director of the Department of General Services and the Director of the Department of Corrections shall report to the Governor and the General Assembly on the impact of the implementation of the provisions of this act, including any cost savings to the Commonwealth, any efficiencies realized, and the impact on prisoner re-entry and safety in correctional institutions. The Departments may include in the report recommendations for improvement of the process that is the subject of this act.”

The Department of Corrections has not seen an impact on safety in its facilities; however, the number of inmates working has decreased since the same time period last year. The decrease is not impacted by the change in legislation. The laundries at Virginia Correctional Center for Women and Greensville Correctional Center were shuttered during this time frame, as a new laundry requiring fewer offenders was brought on line at Sussex II State Prison. Also the number of offenders working through VCE is impacted by other prison programming.

Recommendation

The Department of Corrections and Virginia Correctional Enterprises recommend continuing the analysis and capturing data for another year. The four month time period was too short to accurately identify trends of any substantive nature. During fiscal year '14 VCE will maintain files that will possibly identify trends related to this matter including job preparedness of inmates and the reduction of workforce.

Findings

House Bill 263 was enacted on July 1, 2012 and therefore information provided in this report is based on data from July 1, 2012-October 31, 2012. According to Virginia Correctional Enterprises (VCE), releases were granted for 541 requests. Of that number, 10 were granted because an identical item was available at a lower cost from another source. These releases were for Silk Screen, Embroidery and Printing services. The remaining releases were granted for reasons other than lower cost, i.e. VCE did not manufacture a product that fulfills a specific need, VCE could not produce the goods needed within the customer's timeline, etc.

The Division of Purchases and Supply (DPS) received and reviewed 193 of the 541 requests processed by VCE. DPS expended approximately 193 man hours (193 requests x 1 hour to review, approve, process and track) complying with § 53.1-48. All of the requests had already been approved by VCE and all were approved by DPS. Over half of the requests reviewed by DPS were to purchase goods or services valued at less than \$1,000. A more detailed breakdown is shown below.

Cost of Goods/Services Purchased	Number of Requests
<\$100	19
>\$100<\$500	59
>\$500<\$1,000	29
>\$1,000	86

The total dollar value of the releases granted by VCE for this period of time is \$6,491,683.39. The dollar value of releases granted for identical product at lower cost is \$51,156.09. This equates to 0.79% of total releases and is thought to be insignificant.

The Department of Corrections has not seen an impact on safety in its facilities; however, the number of inmates working has decreased since the same time period last year. Between July 1, 2011 and October 31, 2011 there were, on average per month, 1337 inmates working for Virginia Correctional Enterprises (VCE); this number has fallen to 1230 inmates between July 1, 2012 and October 31, 2012, a loss of 107 jobs. The reduction in the number of inmates working has impacted re-entry efforts in that inmates who are not able to work for VCE are not earning money, are not able to learn new skills or maintain their skills and are spending more time idle which over time may breed discontent among inmates.

The Department of Corrections and Virginia Correctional Enterprises recommend continuing the analysis and capturing data for during the next fiscal year. The current time period is too short to accurately identify trends of any substantive nature. During this next year VCE will maintain files that will possibly identify trends related to this matter including job preparedness of inmates and the reduction of workforce.

Appendix A
House Bill 263

CHAPTER 360

An Act to amend and reenact § [53.1-48](#) of the Code of Virginia, relating to correctional enterprises; exemption from mandatory purchase provisions.

[H 263]

Approved March 23, 2012

Be it enacted by the General Assembly of Virginia:

1. That § [53.1-48](#) of the Code of Virginia is amended and reenacted as follows:

§ [53.1-48](#). Exceptions as to purchases.

~~The Director of the Division of Purchases and Supply may exempt a~~ department, institution or agency of the Commonwealth *may be granted an exemption* from the provisions of § [53.1-47](#) *with the consent of both the Director of the Division of Purchases and Supply and the Chief Executive Officer of the Virginia Correctional Enterprises Program* in any case where, ~~in the opinion of the Director,~~ (i) the article so produced or manufactured does not meet the reasonable requirements of ~~such~~ the department, institution or agency, (ii) *an identical article can be obtained at a verified lesser cost from the private sector, which is evidenced by a verified request for pricing,* or (iii) the requisition made cannot be complied with on account of an insufficient supply of the articles or supplies required, or otherwise. In any case where *an exemption from the provisions of § [53.1-47](#) is granted as provided in this section,* the Director of Purchases and Supply ~~grants an exemption from the provisions of § [53.1-47,](#)~~ he and the Chief Executive Officer of the Virginia Correctional Enterprises Program shall submit a written justification for the exemption to the Director of the Department of Corrections and the Director of the Department of General Services.

2. That on or before November 30, 2012, the Director of the Department of General Services and the Director of the Department of Corrections shall report to the Governor and the General Assembly on the impact of the implementation of the provisions of this act, including any cost savings to the Commonwealth, any efficiencies realized, and the impact on prisoner re-entry and safety in correctional institutions. The Departments may include in the report recommendations for improvement of the process that is the subject of this act.

