



Oregon Legislative Policy, Research, & Committee Services

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Basics About . . . Qualified Rehabilitation Facilities

Oregon Law

The 1977 legislature approved the Products of Disabled Individuals Law to encourage and assist disabled individuals to achieve maximum personal independence through employment, thereby reducing the need for costly welfare assistance and institutionalization¹. The law was modeled after a similar federal law (summarized below) and has undergone only minor changes in the past 20 years.

The state law requires public agencies (state and local) to procure products and services produced by Qualified Rehabilitation Facilities (QRFs) when the price, specifications, and delivery are acceptable to the agency. QRFs are non-profit organizations that rely on disabled individuals to provide at least 75 percent of the direct labor hours to produce products or services.

Products and services provided by QRFs are exempt from the competitive bidding process. In essence, they are given the right of first refusal on provision of products and services to governmental agencies so long as "...the product or services is of the appropriate specifications and is available within the period required by that public agency"²

A list of products and services provided by QRFs is maintained by the Department of Administrative Services (DAS). DAS, state and local agencies, and QRFs work together to establish fair market prices on the products and services offered by QRFs to both state and local agencies³. An ad hoc group may be assembled to review disputes in prices.

There are 58 QRFs currently certified by DAS; 47 of which have contracts with public agencies or political subdivisions. QRFs are located throughout the state and they provide employment for about 6,000 people with disabilities, about half of which work part time.

Federal Law

The Javits-Wagner-O'Day Act⁴ of 1938 requires federal agencies to purchase certain commodities (contained in a procurement list) produced by qualified nonprofit agencies for the blind or by qualified nonprofit agencies for severely handicapped persons. The Act also defines "qualified non-profit agency" as including a 75 percent direct labor requirement very similar to Oregon law. Thirty other states have laws similar to the federal and Oregon laws.

Examples of Products and Services Provided by QRFs

Products

Bags (plastic/paper)
Furniture
Greenhouse/Nursery
Rubber Stamps
Safety Vests
Woodwork

Services

Assembly
Book Binding
Copying
Food Service
Janitorial Service
Mailing
Packaging/Labeling
Temporary Services

¹ Chapter 304, Oregon Laws 1977 (HB 3093) and ORS 279.835 to 279.855

² ORS 279.850(1)

³ see OAR 125-030-0015 for specific DAS rules pertaining to the procurement list and ORS 279.845

⁴ 41 USC Sec. 46 through 48c