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THE HONORABLE CHARLES L. PATTILLO, GENERAL MANAGER OF THE CALIFORNIA PRISON INDUSTRY AUTHORITY, has requested an opinion on the following question:

Does the Prison Industry Board’s power to “establish, notwithstanding any other provision of law, procedures governing the purchase of . . . goods and services,” as provided in Penal Code section 2808(g), mean that the Prison Industry Authority is exempt from state laws governing public works contracts?

CONCLUSION

The Prison Industry Board’s power to establish procedures for the purchase of goods and services, as conferred by Penal Code section 2808(g), does not exempt the Prison Industry Authority from state laws governing public works contracts.

ANALYSIS

Introduction

The Prison Industry Authority (PIA, or Authority) operates under the auspices of the California Department of Corrections and Rehabilitation (CDCR, or Department), and is charged with developing a variety of industrial, agricultural, and service enterprises, generally modeled on private-sector business practices, to provide prison inmates with meaningful employment opportunities and job training during their incarceration.¹ The Authority’s work program is intended to be self-supporting, with its expenses to be offset by revenues generated from sales of the program’s products and services and by savings resulting from the Department’s use of those products and services.²

The Authority is administered by an 11-member Prison Industry Board (Board), to which the Legislature has granted substantial independence.³ The Board has many of the same powers and performs many of the same functions as a private corporation’s board of directors.⁴ However, the Board’s actions remain subject to constitutional limitations, and its non-inmate workforce is subject to the state’s civil service laws.⁵

With this opinion request, the Authority asks us to determine whether one of the powers granted by the Legislature to the Board—respecting procedures for purchasing “raw materials, component parts, and any other goods and services”—permits the Authority to negotiate and enter into “public works contracts” without regard to state laws that otherwise govern such contracts.⁶ We conclude that the Board’s discretion to

¹ Penal Code § 2801(a), (b); *see generally* Pen. Code §§ 2800-2818.

² Pen. Code § 2801(c).

³ Pen. Code § 2802.

⁴ Pen. Code § 2808.

⁵ 93 Ops.Cal.Atty.Gen. 35, 40-41 (2010); 89 Ops.Cal.Atty.Gen. 187, 190-192 (2006); *see also* Cal. Const., art. VII, § 1; *Prof. Engrs. v. Dept. of Transp.*, 15 Cal. 4th 543, 548 (1997); *Cal. State Employees’ Assn. v. Williams*, 7 Cal. App. 3d 390, 395 (1970); 82 Ops.Cal.Atty.Gen. 206, 208-214 (1999); 67 Ops.Cal.Atty.Gen. 27, 28 (1984); 65 Ops.Cal.Atty.Gen. 475, 479-480 (1982); *cf.* Cal. Const. art. VII, § 4(j) (prison inmates exempt from civil service requirements).

⁶ Prevailing wage rates, competitive bidding, and bonding requirements are examples of statutory conditions ordinarily applied to public works contracts. *See* Lab. Code §§ 1770-1781 (prevailing wage rates); Pub. Cont. Code § 10128; Pub. Cont. Code §§

adopt procedures for the purchase of parts, materials, goods, and services does not exempt the Authority from complying with state laws governing public works contracts. In our view, public works contracts are distinguishable from contracts for goods and services associated with the regular operational needs of the Authority.

The statute we are asked to analyze is Penal Code section 2808(g), which states that the Board shall have the power:

To establish, notwithstanding any other provision of law, procedures governing the purchase of raw materials, component parts, and any other goods and services which may be needed by the authority or in the operation of any enterprise under its jurisdiction. Those procedures shall contain provisions for appeal to the board from any action taken in connection with them.⁷

In considering the scope and effect of this provision, we apply well established rules of statutory interpretation. Our charge is to ascertain the Legislature's intent so as to effectuate the law's purpose,⁸ and we start by examining the words used by the Legislature, giving them their usual and ordinary meaning.⁹ Where possible, we must avoid constructions that would make any of the statute's words redundant or

10140-10169 (bidding); Pub. Cont. Code § 10167 (bidder's bond) Pub. Cont. Code §§ 10221-10225 (payment bond, performance bond); *see also* Code Civ. Proc. § 995.311 (public works bonds to be executed by admitted surety insurer).

⁷ Pen. Code § 2808(g).

⁸ *E.g. People v. Albillar*, 51 Cal. 4th 47, 54-55 (2010); *City of Santa Monica v. Gonzalez*, 43 Cal. 4th 905, 919 (2008); *Hassan v. Mercy Am. River Hosp.*, 31 Cal. 4th 709, 715 (2003); *Esberg v. Union Oil Co.*, 28 Cal. 4th 262, 268 (2002); *People v. Murphy*, 25 Cal. 4th 136, 142 (2001); *cf.* Civ. Code § 4.

⁹ *People v. Skiles*, 51 Cal. 4th 1178, 1185 (2011) ("plain and commonsense meaning" is "generally the most reliable indicator of legislative intent and purpose"); *People v. Albillar*, 51 Cal. 4th at 55; *City of Santa Monica*, 43 Cal. 4th at 919; *Curle v. Super. Ct.*, 24 Cal. 4th 1057, 1063 (2001); *cf.* Civ. Code § 13.

superfluous;¹⁰ and we may not read into a statute language that is not included in its text.¹¹ We must also avoid interpretations that would be patently unreasonable or would lead to “absurd consequences.”¹² We turn now to an analysis of section 2808(g).

“Notwithstanding Any Other Provision of Law”

It is evident on the face of Penal Code section 2808(g) that the Legislature intended to create some kind of an exemption here: that is, to free the Board from certain provisions of law that would otherwise control the Authority’s contracting authority. The statute’s first prepositional clause, “notwithstanding any other provision of law,” appears with some frequency in California’s statutes. Courts have construed the phrase as a “term of art,”¹³ which “expresses a legislative intent ‘to have the specific statute control despite the existence of other law which might otherwise govern’ [citation] and ‘declares the legislative intent to override all contrary law.’ [Citation.]”¹⁴ The phrase “notwithstanding any other provision of law” serves to obviate the operation of contrary statutes without need for express reference to the particular statutes that will be affected.¹⁵ Its reach has been held to extend to decisional law as well as to statutes.¹⁶

Notably, however, the supremacy accorded by such a clause is not universal, and does not subordinate all other laws in all contexts; rather, the clause indicates only that the provision in question “is to take precedence over other statutes affecting the same

¹⁰ *Cooley v. Super. Ct.*, 29 Cal. 4th 228, 249 (2002); *Dix v. Super. Ct.*, 53 Cal. 3d 442, 459 (1991).

¹¹ Code Civ. Proc. § 1858; *Vasquez v. State of Calif.*, 45 Cal. 4th 243, 253 (2008); *Doe v. City of Los Angeles*, 42 Cal. 4th 531, 545 (2007); *Wells Fargo Bank v. Super. Ct.*, 53 Cal. 3d 1082, 1097 (1991).

¹² *Wilcox v. Birtwhistle*, 21 Cal. 4th 973, 977-978 (1999); *People v. Jenkins*, 10 Cal. 4th 234, 246 (1995); *see also* Civ. Code § 3541 (“interpretation which gives effect is preferred to one which makes void”); Civ. Code § 3542 (“[i]nterpretation must be reasonable”).

¹³ *People v. DeLaCruz*, 20 Cal. App. 4th 955, 963 (1993).

¹⁴ *Ni v. Slocum*, 196 Cal. App. 4th 1636, 1647 (2011) (citing *People v. Franklin*, 57 Cal. App. 4th 68, 74 (1997) and *Arias v. Super. Ct.*, 46 Cal. 4th 969, 983 (2009)).

¹⁵ *People v. Duff*, 50 Cal. 4th 787, 798 (2010).

¹⁶ *People v. Tillman*, 73 Cal. App. 4th 771, 784-785 (1999).

subject matter.”¹⁷ As the court explained in *California Housing Finance Agency v. E.R. Fairway Associates I*¹⁸:

The introductory phrase of [Health and Safety Code] section 51205(f), ‘[n]otwithstanding any other provision of law,’ qualifies the operative language of the section entitling the prevailing party to recover ‘costs and reasonable attorney’s fees.’ Thus ‘any other provision of law’ relating to costs, to the extent contrary to or inconsistent with section 51205(f), is subordinated to the latter provision.¹⁹

Accordingly, to understand the effect of this clause in section 2808(g), we must identify the subject matter and operative language of the provision.

Procedures for Purchasing Raw Materials, Component Parts, and Goods and Services

Penal Code section 2808 prescribes a number of powers that the Board shall have and things that the Board shall do in connection with the exercise of its duties.²⁰ One of those powers (provided in subdivision (g)) permits the Board, “notwithstanding any other provision of law,” to “establish procedures governing the purchase of raw materials, component parts, and any other goods and services which may be needed by the authority or in the operation of any enterprise under its jurisdiction.” Thus, the subject matter and operative language of section 2808(g) concern *procedures governing the purchase of certain goods and services*. Accordingly, the phrase “notwithstanding any other provision of law” extends only to statutes that would prescribe conflicting purchasing

¹⁷ 90 Ops.Cal.Atty.Gen. 32, 37 (2007) (citing *People v. Franklin*, 57 Cal. App. 4th at 74 and *People v. DeLaCruz*, 20 Cal. App. 4th at 963); see *Arias*, 46 Cal. 4th at 983; *Molenda v. Dept. of Motor Vehs.*, 172 Cal. App. 4th 974, 995 (2009); see e.g. *Klajic v. Castaic Lake Water Agency*, 121 Cal. App. 4th 5, 13 (2004).

¹⁸ 37 Cal. App. 4th 1508 (1995).

¹⁹ *Id.* at 1515–1516.

²⁰ Section 2808 begins with the following introductory sentence:

The board, in the exercise of its duties, shall have all of the powers and do all of the things that the board of directors of a private corporation would do, except as specifically limited in this article, including, but not limited to, [those listed in subdivisions (a) through (k)].

procedures.²¹ The phrase may not properly be read as superseding all laws relating to government contracts of every kind.

Some might argue that the scope of section 2808(g) should be read rather more expansively in view of its final phrase: “and any other goods and services which may be needed by the authority or in the operation of any enterprise under its jurisdiction.” Under the rules of statutory construction, however, we are constrained to interpret its scope relatively narrowly. With respect to context, the “any other” authority remains tethered to the statute’s preceding language; that is to say, the subdivision still concerns only *procedures* governing the *purchase of goods and services*, and cannot be understood to apply to all contracts of every kind.²² Even within the realm of “goods and services,”²³ moreover, the phrase “any other” must be seen as bounded by the specific examples that precede it—in this case, “raw materials” and “component parts.” Under standard rules of interpretation, we are not permitted to ignore the specific examples selected by the Legislature; rather, we must regard them as indicators of the Legislature’s intent.²⁴

²¹ See *Arias*, 46 Cal. 4th at 983; *Molenda*, 172 Cal. App. 4th at 995; *Klajic*, 121 Cal. App. 4th at 13; *People v. Franklin*, 57 Cal. App. 4th at 74; *Calif. Hous. Fin. Agency*, 37 Cal. App. 4th at 1515; *People v. DeLaCruz*, 20 Cal. App. 4th at 963; 90 Ops.Cal.Atty.Gen. at 37.

²² The statute’s focus on the “procedures” governing purchases suggests that the Board may remain bound by other provisions of law governing *substantive* terms in contracts for the purchase of operational goods and services. Further comment on this aspect of the issue is, however, beyond the scope of this opinion.

²³ The term “goods and services” is not specifically defined in section 2808. Cf. e.g. Veh. Code § 11713.89(a)(2)(B). We note in passing, however, that “goods” are elsewhere defined as “all types of tangible personal property, including materials, supplies, and equipment,” Pub. Cont. Code § 10290(d), and that “services” involve “a duty or labor, as opposed to commodities or goods,” *State Contracting Manual, Vol. 1, Glossary* by Dept. Gen. Servs. 2005. A similar distinction is made in another statutory scheme involving inmate labor and job training—*i.e.*, the “Prison Inmate Labor Initiative of 1990,” Pen. Code §§ 2717.1-2717.9—which permits the use of inmate labor to produce “goods or services” for private employers in certain joint venture programs, Pen. Code § 2717.2, and refers to “inmate-provided services” as “services *performed*” and to “inmate-manufactured goods” as “*articles* manufactured.” Pen. Code § 2717.7 (emphasis added); see *Vasquez*, 45 Cal. 4th at 248.

²⁴ See e.g. *Cooley*, 29 Cal. 4th at 249 (avoid construction that makes any word surplusage); *Wells Fargo Bank*, 53 Cal. 3d at 1097 (statute’s express provisions may not be disregarded); *Harris v. Capital Growth Investors XIV*, 52 Cal. 3d 1142, 1159 (1991)

A rule of statutory construction that has particular application to this situation is known as *ejusdem generis* (“of the same kind, class, or nature”). It is illustrative of a broader legal maxim known as *noscitur a sociis* (“it is known from its associates”).²⁵ The California Supreme Court has explained the rule as follows:

The principle of *ejusdem generis* holds that “where general words follow the enumeration of particular classes of persons or things, the general words will be construed as applicable only to persons or things of the same general nature or class as those enumerated. [It] is based on the obvious reason that if the [writer] had intended the general words to be used in their unrestricted sense, [he or she] would not have mentioned the particular things or classes of things which would in that event become mere surplusage.”²⁶

As the Court further noted,

Ejusdem generis applies whether specific words follow general words in a statute or vice versa. In either event, the general term or category is “restricted to those things that are similar to those which are enumerated specifically.”²⁷

(“give meaning to every word and phrase in the statute”); *Dyna-Med, Inc. v. Fair Empl. & Hous. Commn.*, 43 Cal. 3d 1379, 1386-1387 (1987) (significance accorded “to every word, phrase and sentence in pursuance of the legislative purpose”).

²⁵ See *Kraus v. Trinity Mgt. Servs., Inc.*, 23 Cal. 4th 116, 141 (2000) (*ejusdem generis* presumes that “if the Legislature intends a general word to be used in its unrestricted sense, it does not also offer as examples peculiar things or classes of things since those descriptions then would be surplusage”); *Harris*, 52 Cal. 3d at 1159-1160 (when Legislature precedes general words with enumeration of particular things, general words are construed to embrace only things of same nature as those specifically enumerated); see also *Moore v. Calif. State Bd. of Accountancy*, 2 Cal. 4th 999, 1011-1012 (1992); *Dyna-Med, Inc.*, 43 Cal. 3d at 1391, n. 14; *Trinity Park, L.P. v. City of Sunnyvale*, 193 Cal. App. 4th 1014, 1036 (2011); *Texas Com. Bank v. Garamendi*, 11 Cal. App. 4th 460, 471, n. 3 (1992); *Martin v. Holiday Inns, Inc.*, 199 Cal. App. 3d 1434, 1437 (1988); 89 Ops. Cal. Atty. Gen. 1, 3-5 (2006).

²⁶ *Harris*, 52 Cal. 3d at 1159-1160 (citations and footnote omitted).

²⁷ *Id.* at 1160, n. 7 (citations omitted).

In section 2808(g), the Legislature has indicated the class of goods and services for which the Board may establish its own procurement procedures—namely, materials, parts, supplies, and services that are required to sustain the operations of the various industries overseen by the Authority or to carry on the regular operations of the Authority itself. These might include, for example, lumber and hardware for furniture construction; paint and aluminum for manufacturing license plates; machinery repair services and feed for agricultural enterprises; or office supplies and equipment for the Authority’s administrative offices.

In addressing the question presented to us, however, we need not determine every sort of purchasing procedure that the Board is authorized to establish. Instead, the question here is only whether “public works contracts” and the laws that normally govern them are affected.

Public Works Contracts

The term “public works contracts” is not included in section 2808. In fact, it appears only once, without definition, in the neighboring provisions relating to the Authority.²⁸ The term is defined elsewhere in state statutes, however, and appears consistently to signify construction projects on a substantial scale. For example, Public Contract Code section 1101 provides:

²⁸ Section 2816 refers to “any authorized public works project” involving construction work on prison facilities and having total expenditures of less than a prescribed amount. The pertinent paragraph of Penal Code section 2816 provides as follows:

Notwithstanding subdivision (i) of Section 2808 [requiring public hearings regarding the “plans and activities” of the Authority], the Secretary of the Department of Corrections and Rehabilitation may order *any authorized public works project involving the construction, renovation, or repair of prison facilities* to be performed by inmate labor or juvenile justice facilities to be performed by ward labor, when the total expenditure does not exceed the project limit established by the first paragraph of Section 10108 of the Public Contract Code [currently, \$600,000]. Projects entailing expenditure of greater than the project limit established by the first paragraph of Section 10108 of the Public Contract Code shall be reviewed and approved by the chairperson, in consultation with the board.

(Emphasis added.)

“Public works contract,” as used in this part, means an agreement for the erection, construction, alteration, repair, or improvement of any public structure, building, road, or other public improvement of any kind.

Government Code section 4002 similarly provides that:

As used in this chapter, “public work” means the construction of any bridge, road, street, highway, ditch, canal, dam, tunnel, excavation, building or structure within the State by day’s labor or force account.

Civil Code sections 3100 and 3106, taken together, provide a similar definition. Section 3100 states that “[p]ublic work” means any work of improvement contracted for by a public entity,” while section 3106, in turn, defines “work of improvement”:

“Work of improvement” includes but is not restricted to the construction, alteration, addition to, or repair, in whole or in part, of any building, wharf, bridge, ditch, flume, aqueduct, well, tunnel, fence, machinery, railroad, or road, the seeding, sodding, or planting of any lot or tract of land for landscaping purposes, the filling, leveling, or grading of any lot or tract of land, the demolition of buildings, and the removal of buildings. Except as otherwise provided in this title, “work of improvement” means the entire structure or scheme of improvement as a whole.²⁹

Further, Labor Code section 1720(a)(1) defines public works, “as used in this chapter,” to include:

Construction, alteration, demolition, installation, or repair work done under contract and paid for in whole or in part out of public funds, except work done directly by any public utility company pursuant to order of the Public Utilities Commission or other public authority. For purposes of this paragraph, “construction” includes work performed during the design and

²⁹ Civil Code section 3102 further supports our understanding that “public works” means site-specific construction projects rather than routine operations. Section 3102 provides: “‘Site’ means the real property upon which the work of improvement is being constructed or performed.”

preconstruction phases of construction including, but not limited to, inspection and land surveying work.

These statutory definitions comport with the common usage and ordinary meaning of “public works” as reflected in dictionary definitions. In *Webster’s Third New International Dictionary*, for example, “public works” is defined as:

n. pl. : fixed works (as schools, highways, docks) constructed for public use or enjoyment esp. when financed and owned by the government; *specif.*: government sponsored public improvements (as parks or playgrounds) as distinguished from work of a routine nature such as the grading and lighting of streets.³⁰

In *Black’s Law Dictionary*, “public works” is defined as “[s]tructures (such as roads or dams) built by the government for public use and paid for by public funds.”³¹

Thus, public works contracts generally feature construction projects of substantial dimension—including such undertakings as the erection, alteration, improvement, repair, and demolition of structures. “The ‘operation’ of a system,” on the other hand, embraces more routine activities; it “connotes the day-to-day business of running the system.”³² Accordingly, we conclude that public works contracts are distinguishable from contracts associated with the procurement of goods and services that are used for the regular operational needs of the Authority or its enterprises.

It follows that the same distinction would apply to goods or services procured *in connection with* a public works contract. That is, goods and services associated with construction projects are not related to the regular “operation of any enterprise” of the Authority, and are therefore beyond the reach of Penal Code section 2808(g). Instead, they constitute one component of a public works contract. This relationship is reflected in Civil Code section 2783, which defines “construction contract” to include:

. . . any service reasonably related thereto, including, but not limited to, the erection of all structures or performance of work in connection

³⁰ *Webster’s Third New International Dictionary of the English Language, Unabridged* 1836 (2002).

³¹ *Black’s Law Dictionary* 1746 (9th ed., 2009).

³² *Reclamation Dist. No. 684 v. Dept. of Indus. Rel.*, 125 Cal. App. 4th 1000, 1006 (2005).

therewith, the rental of all equipment, all incidental transportation, crane and rigging service *and other goods and services furnished in connection therewith.*³³

Indeed, the Legislature expressly draws a distinction between operations and construction projects in Penal Code section 2810, which permits the Authority to borrow money for any of three separate categories of expenditures:

- (a) Operating the business affairs of the authority.
- (b) Purchasing new equipment, materials and supplies.
- (c) Constructing new facilities, or repairing, remodeling, or demolishing old facilities.

The first two categories are generally associated with the regular operations of the Authority and its enterprises, while the third is not.³⁴

Finally, our interpretation of “goods and services” here is reinforced by the plain language in which the Legislature has expressed, in other statutes, its intent to exempt the Authority from otherwise applicable requirements for public works contracts. Public Contract Code section 10103.5, found in the State Contract Act, is a case in point:

³³ Emphasis added.

³⁴ Inmate-staffed PIA businesses occasionally act as general contractors on projects involving erecting, repairing, or improving structures used by other government agencies (most often CDCR; sometimes sister PIA enterprises), such as adding modular structures to prisons, or installing new flooring in a meat-packing facility. *See* Penal Code § 2816 (CDCR may order public works projects performed by inmate labor). As a general contractor, a PIA business may award building contracts to subcontractors for component work, just as the Authority may award general public works contracts when the construction, repair, or remodeling affects PIA facilities. Penal Code § 2810(c).

These circumstances do not change our analysis, however. We do not interpret section 2808(g) as applying to construction projects, regardless of the identity of the contractor. When the Authority or its enterprises are engaged in public works contracts, we note that different statutes may apply. *See e.g.* Pub. Cont. Code § 10103.5 (exempting certain inmate-performed construction projects at prison facilities from State Contract Act); Penal Code § 2811 (inmates employed in PIA enterprises exempt from prevailing-wage requirement).

Work performed by prisoners pursuant to an order by the Secretary of the Department of Corrections and Rehabilitation or by the Prison Industry Authority is not subject to this chapter, provided that the total cost of a project for the construction of new, previously unoccupied prison facilities or additions to an existing facility shall not exceed fifty thousand dollars (\$50,000) unless it is first approved by the State Public Works Board.

Because Penal Code section 2808(g) contains no similar expression, we find no basis for construing its scope to include public works projects.

In summary, we conclude that section 2808(g) concerns establishment of the Board's procedures for procuring goods and services for use in its regular operations, and has no effect on public works projects or on the acquisition of any goods and services connected with public works projects.

Legislative History

Generally speaking, it is not necessary to consult extrinsic sources such as legislative history when the meaning of a statute can be gleaned, as here, from the statutory text alone.³⁵ Nevertheless, it is often worthwhile to conduct at least a brief review of the provision's legislative history, if only to confirm that the record contains nothing contradicting our understanding of the statute's purpose and effect.³⁶ We have conducted such a brief review here, and have found the legislative history of section 2808(g) to be consistent with our interpretation of it.

In the uncodified findings and declarations that introduced the statute when it was enacted in 1982, the Legislature alluded to "constraints of state government" that "severely impede the ability of the prison industries program *to operate*," and discussed the benefit of "establishing a special authority [in prison industries management] *to manage and operate prison industries* and the funds associated with such programs."³⁷

³⁵ *People v. Skiles*, 51 Cal. 4th at 1185; see e.g. *People v. Albillar*, 51 Cal. 4th at 55; *People v. Traylor*, 46 Cal. 4th 1205, 1212 (2009).

³⁶ See e.g. *People v. Albillar*, 51 Cal. 4th at 56 (noting legislative history was "consistent with a plain language construction of the statute").

³⁷ 1982 Stat. ch. 1549 § 2(b), (c) at 6034 (emphasis added). In its entirety, section 2 provides:

The Legislature finds and declares that:

Thus the focus, as we have concluded, was on avoiding processes such as competitive-bidding requirements and centralized procurement procedures for everyday materials, and not on processes associated with public works of construction or real-property improvement.

Just so, in a September 1982 analysis of the bill by the state's Department of General Services, there is no mention whatsoever of public works projects or public works contracts, but it is noted that the Authority would "be empowered to buy and sell all equipment, supplies, and materials *used in its operations*, as well as establishing procedures for the purchase of goods and services."³⁸ The bill was seen as creating "purchasing autonomy" in procuring goods and services, not as a measure that would affect public works contracts:

SB 1574 would grant the newly created Prison Industry Authority purchasing autonomy, by stating that normally applicable statutes and administrative regulations placing centralized purchasing in the Department of General Services do not apply to the Prison Industry Authority, as well as stating that normally applicable statutes and administrative regulations applying to the use of competitive methods in state procurement also do not apply to the Prison Industry Authority.³⁹

(a) The present prison industries program has failed to provide productive jobs to prisoners, to meaningfully offset the cost of running the prison system, or to reduce the idleness and underemployment which are rampant in California's prisons.

(b) The constraints of state government severely impede the ability of the prison industries program to operate on a self-supporting or profit-making basis.

(c) A successful prison industries program can best be accomplished by providing the management of the prison industries program with a reasonable degree of autonomy and by establishing a special authority to manage and operate prison industries and the funds associated with such programs.

³⁸ Sen. 1574, Enrolled Bill Rpt. by Dept. of Gen. Servs. (Sept. 1982) 1 "Bill Summary," emphasis added.

³⁹ *Id.* at 1, "Analysis."

Elsewhere in that report, the Department of General Services noted that the Authority's avoidance of standard state competitive-bidding practices could lead to a rise in costs "for the products that are presently being purchased for Correctional Industries," with the possibility that "the State will pay more for commodities."⁴⁰ This focus on "products" and "commodities" supports our understanding that the statute is intended to apply to regular procurements of goods and services.

That the Legislature itself shared this understanding is evident from the Legislative Analyst's description of Assembly Bill number 2955, an earlier 1982 measure that included the same prison industries provisions later incorporated into Senate Bill 1574.⁴¹ In analyzing that earlier bill, the Legislative Analyst mentioned the exemption in question only once, describing its effect on "the purchasing of materials and other goods:"

Exempts the industries program from certain state requirements administered by the Department of General Services concerning the purchasing of materials and other goods.⁴²

Thus, the legislative history of section 2808(g) reinforces our conclusion that the statute was not intended to affect public works contracts in which the Authority may be involved.

For the foregoing reasons, we conclude that the Prison Industry Board's power to establish procedures for the purchase of goods and services, as conferred by Penal Code section 2808(g), does not exempt the Prison Industry Authority from state laws governing public works contracts.

⁴⁰ *Id.* at 2, "Fiscal Impact."

⁴¹ See Assembly Off. of Research Rpt. Sen. 1574, Assembly 3rd reading, at 5, "Comments," paragraph 4, noting that "[t]he provisions of [Senate Bill 1574] relative to the Department of Corrections' industries are taken from AB 2955 (Goggin)" (Aug. 30, 1982).

⁴² Legis. Analyst's "Analysis of Assembly 2955 (Goggin) As Amended in Senate June 24, 1982," at 2, paragraph 8 (Aug. 14, 1982).