

**SUBSTITUTE FOR
SENATE BILL NO. 303**

A bill to amend 1984 PA 431, entitled
"The management and budget act,"
by amending section 261 (MCL 18.1261), as amended by 1993 PA 46.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 261. (1) The department shall provide for the purchase
2 of, the contracting for, and the providing of supplies, materials,
3 services, insurance, utilities, third party financing, equipment,
4 printing, and all other items as needed by state agencies for which
5 the legislature has not otherwise expressly provided. In all
6 purchases made by the department, all other things being equal,
7 preference shall be given to products manufactured or services
8 offered by Michigan-based firms, if consistent with federal
9 statutes. The department shall solicit competitive bids from the

1 private sector whenever practicable to efficiently and effectively
2 meet the state's needs. The department shall first determine that
3 competitive solicitation of bids in the private sector is not
4 appropriate before it shall use any other procurement method for an
5 acquisition.

6 (2) The department shall make all discretionary decisions
7 concerning the solicitation, award, amendment, cancellation, and
8 appeal of state contracts.

9 (3) The department shall utilize competitive bidding for all
10 purchases authorized pursuant to subsection (1) unless the
11 department has determined that another procurement method is in the
12 state's best interests.

13 (4) The department may delegate its procurement authority to
14 other state agencies within dollar limitations and for designated
15 types of procurements. The department may withdraw delegated
16 authority upon a finding that a state agency did not comply with
17 departmental procurement directives.

18 (5) The department may enter into lease purchases or
19 installment purchases for periods not exceeding the anticipated
20 useful life of the items purchased unless otherwise prohibited by
21 law.

22 (6) The department shall issue directives for the procurement,
23 receipt, inspection, and storage of supplies, materials, and
24 equipment, and for printing and services needed by state agencies.
25 The department shall provide standard specifications and standards
26 of performance applicable to purchases.

27 (7) The department may enter into a cooperative purchasing

1 agreement with 1 or more other states or public entities for the
2 purchase of goods, including, but not limited to, recycled goods,
3 and services necessary for state programs.

4 (8) IN AWARDING A CONTRACT UNDER THIS SECTION, THE DEPARTMENT
5 SHALL GIVE A PREFERENCE OF UP TO 10% OF THE AMOUNT OF THE CONTRACT
6 TO A QUALIFIED DISABLED VETERAN. IF THE QUALIFIED DISABLED VETERAN
7 OTHERWISE MEETS THE REQUIREMENTS OF THE CONTRACT SOLICITATION AND
8 WITH THE PREFERENCE IS THE LOWEST BIDDER, THE DEPARTMENT SHALL
9 ENTER INTO A PROCUREMENT CONTRACT WITH THE QUALIFIED DISABLED
10 VETERAN UNDER THIS ACT. IF 2 OR MORE QUALIFIED DISABLED VETERANS
11 ARE THE LOWEST BIDDERS ON A CONTRACT, ALL OTHER THINGS BEING EQUAL,
12 THE QUALIFIED DISABLED VETERAN WITH THE LOWEST BID SHALL BE AWARDED
13 THE CONTRACT UNDER THIS ACT.

14 (9) IT IS THE GOAL OF THE DEPARTMENT TO AWARD EACH YEAR NOT
15 LESS THAN 3% OF ITS TOTAL EXPENDITURES FOR CONSTRUCTION, GOODS, AND
16 SERVICES TO QUALIFIED DISABLED VETERANS. THE DEPARTMENT MAY COUNT
17 TOWARD ITS 3% YEARLY GOAL DESCRIBED IN THIS SUBSECTION THAT PORTION
18 OF ALL PROCUREMENT CONTRACTS IN WHICH THE BUSINESS ENTITY THAT
19 RECEIVED THE PROCUREMENT CONTRACT SUBCONTRACTS WITH A QUALIFIED
20 DISABLED VETERAN. EACH YEAR, THE DEPARTMENT SHALL REPORT TO EACH
21 HOUSE OF THE LEGISLATURE ON ALL OF THE FOLLOWING FOR THE
22 IMMEDIATELY PRECEDING 12-MONTH PERIOD:

23 (A) THE NUMBER OF QUALIFIED DISABLED VETERANS WHO SUBMITTED A
24 BID FOR A STATE PROCUREMENT CONTRACT.

25 (B) THE NUMBER OF QUALIFIED DISABLED VETERANS WHO ENTERED INTO
26 PROCUREMENT CONTRACTS WITH THIS STATE AND THE TOTAL VALUE OF THOSE
27 PROCUREMENT CONTRACTS.

Senate Bill No. 303 as amended May 11, 2005

1 (C) WHETHER THE DEPARTMENT ACHIEVED THE GOAL DESCRIBED IN THIS
2 SUBSECTION.

3 (10) AS USED IN THIS SECTION:

4 (A) "QUALIFIED DISABLED VETERAN" MEANS A BUSINESS ENTITY THAT
5 IS 51% OR MORE OWNED BY 1 OR MORE VETERANS WITH A SERVICE-CONNECTED
6 DISABILITY.

7 (B) "SERVICE-CONNECTED DISABILITY" MEANS A DISABILITY INCURRED
8 OR AGGRAVATED IN THE LINE OF DUTY IN THE ACTIVE MILITARY, NAVAL, OR
9 AIR SERVICE AS DESCRIBED IN 38 USC 101(16).

<<Enacting section 1. This amendatory act does not take effect
unless Senate Bill No. 302 of the 93rd Legislature is enacted into law.>>