

# SENATE BILL No. 303

March 10, 2005, Introduced by Senators TOY and BERNERO and referred to the Committee on Local, Urban and State Affairs.

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. NOT LESS THAN TWICE EACH  
17 YEAR, THE DEPARTMENT SHALL REPORT TO EACH HOUSE OF THE LEGISLATURE  
18 ON ALL OF THE FOLLOWING FOR THE IMMEDIATELY PRECEDING 6-MONTH  
19 PERIOD:

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

22 (B) THE NUMBER OF QUALIFIED DISABLED VETERANS WHO ENTERED INTO  
23 PROCUREMENT CONTRACTS WITH THIS STATE AND THE TOTAL VALUE OF THOSE  
24 PROCUREMENT CONTRACTS.

25 (C) WHETHER THE DEPARTMENT ACHIEVED THE GOAL DESCRIBED IN THIS  
26 SUBSECTION.

27 (10) AS USED IN THIS SECTION:

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

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