

HOUSE BILL No. 5480

March 15, 2012, Introduced by Reps. Knollenberg, Agema, Callton, Haines, Kowall and Moss and referred to the Committee on Banking and Financial Services.

A bill to amend 1984 PA 431, entitled
"The management and budget act,"
by amending section 261 (MCL 18.1261), as amended by 2008 PA 133.

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
10 private sector whenever practicable to efficiently and effectively
11 meet the state's needs. The department shall first determine that

1 competitive solicitation of bids in the private sector is not
2 appropriate before it shall use any other procurement method for an
3 acquisition. **THE DEPARTMENT'S SOLICITATION PROCEDURES AND AWARDS**
4 **SHALL COMPLY WITH THE IRAN ECONOMIC SANCTIONS ACT.**

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

8 (3) The department shall utilize competitive solicitation for
9 all purchases authorized under this act unless 1 or more of the
10 following apply:

11 (a) Procurement of goods or services is necessary for the
12 imminent protection of public health or safety or to mitigate an
13 imminent threat to public health or safety, as determined by the
14 director or his or her designated representative.

15 (b) Procurement of goods or services is for emergency repair
16 or construction caused by unforeseen circumstances when the repair
17 or construction is necessary to protect life or property.

18 (c) Procurement of goods or services is in response to a
19 declared state of emergency or state of disaster under the
20 emergency management act, 1976 PA 390, MCL 30.401 to 30.421.

21 (d) Procurement of goods or services is in response to a
22 declared state of emergency under 1945 PA 302, MCL 10.31 to 10.33.

23 (e) Procurement of goods or services is in response to a
24 declared state of energy emergency under 1982 PA 191, MCL 10.81 to
25 10.89.

26 (f) Procurement of goods or services is within a state
27 agency's purchasing authority delegated under subsection (4), and

1 the state agency has established policies or procedures approved by
2 the department to ensure that goods or services are purchased by
3 the state agency at fair and reasonable prices.

4 (4) The department may delegate its procurement authority to
5 other state agencies within dollar limitations and for designated
6 types of procurements. The department may withdraw delegated
7 authority upon a finding that a state agency did not comply with
8 departmental procurement directives **OR THE IRAN ECONOMIC SANCTIONS**
9 **ACT.**

10 (5) The department may enter into lease purchases or
11 installment purchases for periods not exceeding the anticipated
12 useful life of the items purchased unless otherwise prohibited by
13 law.

14 (6) The department shall issue directives for the procurement,
15 receipt, inspection, and storage of supplies, materials, and
16 equipment, and for printing and services needed by state agencies.
17 The department shall provide standard specifications and standards
18 of performance applicable to purchases.

19 (7) The department may enter into a cooperative purchasing
20 agreement with 1 or more other states or public entities for the
21 purchase of goods, including, but not limited to, recycled goods,
22 and services necessary for state programs.

23 (8) In awarding a contract under this section, the department
24 shall give a preference of up to 10% of the amount of the contract
25 to a qualified disabled veteran. If the qualified disabled veteran
26 otherwise meets the requirements of the contract solicitation and
27 with the preference is the lowest bidder, the department shall

1 enter into a procurement contract with the qualified disabled
2 veteran under this act. If 2 or more qualified disabled veterans
3 are the lowest bidders on a contract, all other things being equal,
4 the qualified disabled veteran with the lowest bid shall be awarded
5 the contract under this act.

6 (9) It is the goal of the department to award each year not
7 less than 5% of its total expenditures for construction, goods, and
8 services to qualified disabled veterans. The department may count
9 toward its 5% yearly goal described in this subsection that portion
10 of all procurement contracts in which the business entity that
11 received the procurement contract subcontracts with a qualified
12 disabled veteran. Each year, the department shall report to each
13 house of the legislature on all of the following for the
14 immediately preceding 12-month period:

15 (a) The number of qualified disabled veterans who submitted a
16 bid for a state procurement contract.

17 (b) The number of qualified disabled veterans who entered into
18 procurement contracts with this state and the total value of those
19 procurement contracts.

20 (c) Whether the department achieved the goal described in this
21 subsection.

22 (d) The recommendations described in subsection (10).

23 (10) Each year, the department shall review the progress of
24 all state agencies in meeting the 5% goal **DESCRIBED IN SUBSECTION**
25 **(9)** with input from statewide veterans service organizations and
26 from the business community, including businesses owned by
27 qualified disabled veterans, and shall make recommendations to each

1 house of the legislature regarding continuation, increases, or
2 decreases in the percentage goal. The recommendations shall be
3 based upon the number of businesses that are owned by qualified
4 disabled veterans and on the continued need to encourage and
5 promote businesses owned by qualified disabled veterans.

6 (11) To assist the department in reaching the goal described
7 in subsection (9), the governor shall recommend to the legislature
8 changes in programs to assist businesses owned by qualified
9 disabled veterans.

10 (12) As used in this section:

11 (a) "Qualified disabled veteran" means a business entity that
12 is 51% or more owned by 1 or more veterans with a service-connected
13 disability.

14 (b) "Service-connected disability" means a disability incurred
15 or aggravated in the line of duty in the active military, naval, or
16 air service as described in 38 USC 101(16).

17 (c) "Veteran" means a person who served in the army, air
18 force, navy, marine corps, or coast guard and who was discharged or
19 released from his or her service with an honorable or general
20 discharge.

21 Enacting section 1. This amendatory act does not take effect
22 unless Senate Bill No. ____ or House Bill No. 5479 (request no.
23 04094'11 *) of the 96th Legislature is enacted into law.