



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536



BILL ANALYSIS

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 303 (as introduced 3-10-05)
Sponsor: Senator Laura M. Toy
Committee: Local, Urban and State Affairs

Date Completed: 5-5-05

CONTENT

The bill would amend the Management and Budget Act to require the Department of Management and Budget (DMB) to give a preference to a qualified disabled veteran of up to 10% of the amount of a competitively bid contract for items needed by State agencies.

Under the Act, the Department must provide for the purchase of, the contracting for, and the provision of supplies, materials, services, insurance, utilities, third-party financing, equipment, printing, and all other items as needed by State agencies for which the Legislature has not otherwise expressly provided. The DMB is required to solicit competitive bids from the private sector whenever practicable to meet the State's needs efficiently and effectively.

Under the bill, when awarding a competitively bid contract for items needed by State agencies, the Department would have to give a preference of up to 10% of the amount of the contract to a qualified disabled veteran. If the qualified disabled veteran otherwise met the requirements of the contract solicitation and with the preference were the lowest bidder, the Department would have to enter into a procurement contract with the veteran. If two or more qualified disabled veterans were the lowest bidders on a contract, all other things being equal, the veteran with the lowest bid would have to be awarded the contract.

The bill would make it the goal of the Department to award each year at least 3% of its total expenditures for construction, goods, and services to qualified disabled veterans. At least twice each year, the DMB would have to report to each house of the Legislature on all of the following for the immediately preceding six-month period:

- The number of qualified disabled veterans who submitted a bid for a State procurement contract.
- The number of qualified disabled veterans who entered into procurement contracts with the State and the total value of those contracts.
- Whether the DMB achieved the goal of allocating at least 3% of its total expenditures to disabled veterans.

"Qualified disabled veteran" would mean a business entity that is 51% or more owned by one or more veterans with a service-connected disability. "Service-connected disability" would mean a disability incurred or aggravated in the line of duty in the active military, naval, or air service, as described in 38 USC 101(16). (Under that section, "service-connected" means, with respect to disability or death, that the disability was incurred or

aggravated, or that the death resulted from a disability incurred or aggravated, in line of duty in the active military, naval, or air service.)

MCL 18.1261

Legislative Analyst: J.P. Finet

FISCAL IMPACT

The bill would have an indeterminate impact on State government that would depend on the number and value of contracts awarded based on the preference for qualified disabled veterans.

Fiscal Analyst: Bill Bowerman

S0506\sb303sa

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.