

HOUSE BILL No. 5345

October 20, 2005, Introduced by Reps. Hildenbrand, Green, Vander Veen and Nitz and referred to the Committee on Government Operations.

A bill to amend 1984 PA 431, entitled
"The management and budget act,"
by amending section 261 (MCL 18.1261), as amended by 2005 PA 91.

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. **THROUGH DECEMBER 31, 2006, IN ALL PURCHASES MADE BY THE**
10 **DEPARTMENT, ALL OTHER THINGS BEING EQUAL, PREFERENCE SHALL BE GIVEN**

1 **TO BUSINESSES THAT HAVE EMPLOYED HURRICANE KATRINA REFUGEES AS**
2 **DETERMINED BY THE DEPARTMENT.** The department shall solicit
3 competitive bids from the private sector whenever practicable to
4 efficiently and effectively meet the state's needs. The department
5 shall first determine that competitive solicitation of bids in the
6 private sector is not appropriate before it shall use any other
7 procurement method for an acquisition.

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

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

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

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

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

1 of performance applicable to purchases.

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

6 (8) In awarding a contract under this section, the department
7 shall give a preference of up to 10% of the amount of the contract
8 to a qualified disabled veteran. If the qualified disabled veteran
9 otherwise meets the requirements of the contract solicitation and
10 with the preference is the lowest bidder, the department shall
11 enter into a procurement contract with the qualified disabled
12 veteran under this act. If 2 or more qualified disabled veterans
13 are the lowest bidders on a contract, all other things being equal,
14 the qualified disabled veteran with the lowest bid shall be awarded
15 the contract under this act.

16 (9) It is the goal of the department to award each year not
17 less than 3% of its total expenditures for construction, goods, and
18 services to qualified disabled veterans. The department may count
19 toward its 3% yearly goal described in this subsection that portion
20 of all procurement contracts in which the business entity that
21 received the procurement contract subcontracts with a qualified
22 disabled veteran. Each year, the department shall report to each
23 house of the legislature on all of the following for the
24 immediately preceding 12-month period:

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

27 (b) The number of qualified disabled veterans who entered into

1 procurement contracts with this state and the total value of those
2 procurement contracts.

3 (c) Whether the department achieved the goal described in this
4 subsection.

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

6 (10) Each year, the department shall review the progress of
7 all state agencies in meeting the 3% goal with input from statewide
8 veterans service organizations and from the business community,
9 including businesses owned by qualified disabled veterans, and
10 shall make recommendations to each house of the legislature
11 regarding continuation, increases, or decreases in the percentage
12 goal. The recommendations shall be based upon the number of
13 businesses that are owned by qualified disabled veterans and on the
14 continued need to encourage and promote businesses owned by
15 qualified disabled veterans.

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

20 (12) As used in this section:

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

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

27 (c) "Veteran" means a person who served in the active

1 military, naval, or air service and who was discharged or released
2 from his or her service under conditions other than dishonorable.