

**STATE TRUNK LINE HIGHWAY SYSTEM (EXCERPT)**  
**Act 51 of 1951**

\*\*\*\*\* 247.659b.amended THIS AMENDED SECTION IS EFFECTIVE IF THE CONDITION IN ENACTING  
SECTION 1 OF ACT 473 OF 2014 IS MET \*\*\*\*\*

**247.659b.amended Contracts to construct, repair, or maintain roads or bridges; contracts awarded to small business enterprises and disadvantaged business enterprises; notice to legislative committees; disparity study; definitions; duties of department.**

Sec. 9b. (1) After July 1, 1997, the department shall do all of the following regarding contracts to construct, repair, or maintain roads or bridges:

(a) Establish technical assistance programs to prepare small business enterprises to compete for contracts on projects that use only state funds, and to prepare disadvantaged business enterprises to compete on projects that include federal aid funds. The technical assistance programs described in this subdivision may include the use of small business enterprise or disadvantaged business enterprise technical assistants, best value contracting procurement, and training for competing for work under a contract described in this subdivision.

(b) Assist in creating and developing sources of nontraditional capital to assist small business enterprises and disadvantaged business enterprises to compete for contracts. The department, in conjunction with the Michigan economic development corporation, shall investigate the creation of a state revolving loan fund created within the Michigan economic development corporation to provide necessary capital. The department and the Michigan economic development corporation shall report the results of the investigation to the senate and house appropriations committees no later than 1 year after the effective date of the amendatory act that amended this subdivision.

(c) Assist in creating and developing incentives for firms to mentor small business enterprises and disadvantaged business enterprises to assist those business enterprises in gaining the experience and resources necessary to compete for contracts. The incentives described in this subdivision may include programs for the training and placement of skilled workers for infrastructure trades and related occupations, either independently or cooperatively with other state agencies. The department shall investigate the potential of incorporating a 5-year skilled worker projection into its current 5-year plans, and shall report the results of that investigation to the senate and house appropriations committees no later than 1 year after the effective date of the amendatory act that amended this subdivision.

(d) Increase information programs to inform small business enterprises and disadvantaged business enterprises of opportunities to compete for contracts.

(e) Except as otherwise provided in this subdivision, when practical, develop small business enterprise or disadvantaged business enterprise utilization plans for larger and more complex projects. The department shall use small business enterprise or disadvantaged business enterprise utilization plans for projects in which the final cost is anticipated to exceed \$8,000,000.00 unless the project specifications or current best practices do not justify the use of such a plan. The department shall include a list of projects in which the final cost is anticipated to exceed \$8,000,000.00 for which project specifications or current best practices do not justify the use of a small business enterprise or disadvantaged business enterprise utilization plan in the report required by subsection (2). This subdivision does not preclude the use of a small business enterprise or disadvantaged business enterprise utilization plan for a project with a final anticipated cost of below \$8,000,000.00 when the use of such a plan is appropriate for the project, or when a disadvantaged business enterprise utilization goal has been established consistent with federal requirements. The project threshold of \$8,000,000.00 may be adjusted annually to reflect research-based or national best practices.

(2) The department shall notify the majority and minority chairpersons of the house and senate appropriations committees and the majority and minority chairpersons of the house and senate committees that consider transportation matters of each contract awarded to small business enterprises and disadvantaged business enterprises under this section. The department shall also provide a list of contracts that used small business enterprise or disadvantaged business enterprise utilization plans implemented under subsection (1)(e), and shall provide a recommendation as to whether the benchmark figure described in subsection (1)(e) should be increased or decreased based on the experience of the department and national best practices.

(3) The department shall conduct a disparity study on the use of small business enterprises and disadvantaged business enterprises in state contracts. The study required under this subsection shall use standards developed by the transportation research board's national cooperative highway research program as those standards exist on the effective date of the amendatory act that added this subsection. The department shall report the results of the study required by this subsection and its recommendations for process improvements that will address disparities to the senate and house appropriations committees no later than 1

year after the effective date of the amendatory act that added this subsection.

(4) As used in this section:

(a) "Small business enterprise" means that term as defined in 13 CFR part 121.

(b) "Disadvantaged business enterprise" means that term as defined in 49 CFR part 26.

(c) "Empowerment zone" means an area designated as an empowerment zone by the United States department of housing and urban development.

(d) "Enterprise zone" means a neighborhood enterprise zone designated under the neighborhood enterprise zone act, 1992 PA 147, MCL 207.771 to 207.787.

(5) After July 28, 1997, the department shall do all of the following regarding contracts to construct or repair roads and bridges:

(a) Annually consult with the Michigan state chamber of commerce, the Michigan infrastructure and transportation association, the black caucus foundation of Michigan excluding any currently serving legislators, the Michigan Hispanic chamber of commerce, and the Michigan minority business development council on requests for proposals and requests for quotations to ensure competitive and inclusive strategies which ensure an inclusive and competitive bid environment.

(b) Review current contract processes to determine whether small business enterprises or disadvantaged business enterprises are adequately informed of the process for appealing contract decisions or learning how to improve bids for future contracts.

**History:** Add. 1997, Act 79, Eff. July 28, 1997;—Am. 2014, Act 473, Eff. (pending).

**Compiler's note:** Enacting section 1 of Act 473 of 2014 provides:

"Enacting section 1. This amendatory act does not take effect unless House Joint Resolution UU of the 97th Legislature becomes a part of the state constitution of 1963 as provided in section 1 of article XII of the state constitution of 1963."

**Popular name:** McNitt Act

**Popular name:** Michigan Transportation Fund Act