

# HOUSE BILL No. 6257

June 22, 2006, Introduced by Reps. Hildenbrand, Mortimer, Proos, David Law, Huizenga, Emmons, Pearce, Nitz, Moore, Pavlov and Farhat and referred to the Committee on Commerce.

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

1 statutes. The department shall solicit competitive bids from the  
2 private sector whenever practicable to efficiently and effectively  
3 meet the state's needs. The department shall first determine that  
4 competitive solicitation of bids in the private sector is not  
5 appropriate before it shall use any other procurement method for an  
6 acquisition.

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

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

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

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

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

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

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

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

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

26           (b) The number of qualified disabled veterans who entered into  
27 procurement contracts with this state and the total value of those

1 procurement contracts.

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

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

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

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

19 (12) As used in this section:

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

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

26 (c) "Veteran" means a person who served in the active  
27 military, naval, or air service and who was discharged or released

1 from his or her service under conditions other than dishonorable.