

STATE OF MICHIGAN



SERVICE DISABLED

VETERANS

PREFERENCE

FACT SHEET



FREQUENTLY ASKED QUESTIONS ABOUT THE STATE OF MICHIGAN'S SERVICE DISABLED VETERAN OWNED BUSINESS (SDVOB) PRICING PREFERENCE

Is the State of Michigan's SDVOB preference a set aside, like the federal government's program, or is it different?

It is different. The State of Michigan has a pricing preference for SDVOBs, not a set aside. Therefore, all types of businesses will submit bid proposals, along with the SDVOBs.

Do state and federal SDVOB laws apply to local units of government and public entities here in Michigan?

No. Michigan's local units of government and public entities (K-12 schools, public universities, transit authorities, etc.) are governed by different purchasing statutes. For these entities, preferences may be set as a matter of policy or by local ordinances, as well as their applicable purchasing statutes.

How do I request the pricing preference? Do I need to be pre-certified as an SDVOB by the State of Michigan?

The State does not pre-certify businesses as SDVOBs, and does not use the federal CVE database. To request the SDVOB pricing preference for a State of Michigan bid, make sure to indicate that your company is an SDVOB in your bid response, and provide supporting documentation.

What documentation should an SDVOB supply with their bid to request the pricing preference?

Documentation in each of the three areas listed is required:

- *Proof of service and conditions of discharge: DD214 or equivalent*
- *Proof of service-connected disability: DD214 if the disability was documented at discharge or Veterans Administration (VA) Rating Decision Letter or equivalent if the disability was documented after discharge*
- *Proof of Ownership: Appropriate legal documents setting forth the ownership of the business entity*

How is the pricing preference applied?

Go to http://www.michigan.gov/documents/dmb/QDV_Announcement_318160_7.pdf to review the DTMB – Procurement memo explaining the application of the SDVOB pricing preference. This would also be applicable for building construction projects. (It may not apply to highway and bridge construction projects, please see "MDOT," below.)

SDVOBs who wish to claim the pricing preference will be asked to submit documents with their bid proposal that specify their service disabled veteran status, and also that the service disabled veteran is a 51% or more owner of the company. This documentation is requested with each bid response because, while service disabled veteran status doesn't change, the business ownership may, and is therefore verified each time the pricing preference is requested.

What else do I need to know about the State's SDVOB pricing preference?

It is important to note that beyond simple Request for Quotes (RFQ's), the State's more complex Request for Proposals (RFPs) may have a "two step" process. Step one is scoring the written portion of a bid response, such as how the work will be done, prior experience, etc. Bidders that receive a

passing score on their written proposal proceed to step two, which is evaluating bidder prices. For these “two step bids,” SDVOBs do have to write a bid response that receives a passing score in order to reach step two, where the SDVOB price preference would be applied. This nuance of the State’s bid process and application of its SDVOB price preference is not always well understood, because it is different from the federal government’s set aside program.

Does the pricing preference apply to the Department of Transportation (MDOT) highway and bridge construction bids as well?

If an MDOT construction project is primarily federally funded, MDOT is required to follow federal bid preferences and guidelines, instead of the State’s – so the SDVOB pricing preference of up to 10% may not apply. However, there may be other federal preferences applicable to your company.

The Michigan Department of Transportation (MDOT) bids out highway and bridge construction, including project management, rest areas and roadside scale houses. To view MDOT bids, or MDOT’s DBE program information, go to www.michigan.gov/mdot and click on “Doing Business w/ MDOT” to learn more. Some MDOT bids may require that the vendor be pre-qualified.

What training is available for SDVOBs?

“How to do business with the State” training materials are available at www.michigan.gov/micontractconnect. The “Contracting 101” module provides an overview of the State’s bidding process. The “Elements of a Quality Proposal” module provides information on the bid evaluation process, explains the sections of an RFP bid document, and shares some common mistakes to avoid when preparing your written bid proposal.

SDVOBs are also encouraged to contact us directly, so that we may work one on one to answer their individual questions.

What if I submitted a bid, and have questions about why my company was not recommended for a contract award?

SDVOBs are encouraged to contact the buyer and request a debriefing. Debriefings are a valuable tool to provide information that review how your bid proposal was evaluated, and can assist the SDVOB in crafting future bid proposals.

- *In a debriefing, the buyer reviews the SDVOBs bid proposal and pricing with them, to discuss why their company was not the recommended vendor, note their written proposals strengths, and identify areas of improvement for the next bid.*
- *Debriefings may in person or via conference call with the assigned buyer, whichever is more convenient.*
- *If it was a recent bid, request the buyer email the bid “evaluation synopsis” while scheduling the appointment, so that you may review the comments about your company’s bid proposal prior to the debriefing meeting, and be able to ask more specific questions. If the bid was months or years ago, you can request the bid “evaluation synopsis” through the Freedom of Information Act (FOIA). <http://www.michigan.gov/buymichiganfirst/0,1607,7-225-48677-57230--,00.html>.*
- *Whether the bid was recent, six months, or even a couple of years ago, the SDVOB may still request a debriefing, to review previous bid submissions.*

Who should I contact with SDVOB related questions?

- For general goods and services bids and contracts, outreach, and training, contact:
 - DTMB – Procurement
 - Genevieve Hayes, Email hayesg2@michigan.gov, Phone 517-335-4730
 - Jenni Riehle, Email riehlej@michigan.gov, Phone 517-335-6633
 - Rebecca Cook, Email cookr6@michigan.gov, Phone 517-373-8530
- For design and construction bids and contracts, contact:
 - DTMB – Design and Construction Office
 - Patrick Mullen, Email: mullenp1@michigan.gov, Phone 517-373-0967
- For MDOT highway and bridge bids and contracts, contact:
 - Demetrius Parker, Email cousinr@michigan.gov, Phone: 517-373-4680

Where do I go to find the related statute?

You may find a copy of the statute online. Go to [http://www.legislature.mi.gov/\(S\(et4yam45i3s5hxiebo2is0rb\)\)/mileg.aspx?page=home](http://www.legislature.mi.gov/(S(et4yam45i3s5hxiebo2is0rb))/mileg.aspx?page=home), and enter 18.1261 in the MCL Section box.

Are enough SDVOBs bidding to reach the 5% goal?

No, currently not enough SDVOBs are participating in the bid process in order for the State to reach its goal.

What outreach steps are underway to SDVOBs?

DTMB Procurement outreach efforts include:

- Working one on one with SDVOBs to answer their individual questions.
- Sharing information on the training materials available, to help SDVOBs participate in the State's bidding process. For example, the State recently converted its "Contracting 101" and "Elements of a Quality Proposal" training seminars into online, self-study modules, available at www.michigan.gov/micontractconnect.
- Sharing information on upcoming bid opportunities with veteran and disabled organizations, to help spread the word.
- Providing educational newsletter articles to veteran and disabled organizations.
- Participating in veterans and disabled conferences, with a display table, or as a speaker.
- Meeting with state department, military and elected officials to request assistance in the education and outreach efforts.

The number of SDVOBs bidding is trending up, so outreach efforts are having a positive impact.

What can I do to help?

We are looking for disabled, veteran, and service disabled groups and associations that can help reach into the community. Please contact Genevieve Hayes or Jenni Riehle, so that we may discuss possible partnership opportunities, including but not limited to:

- Forward meeting and conference information, including whether there is a possibility of a speaking engagement, display table, and / or being allowed to distribute informational handouts.

- *Review the list of newsletter articles topics available, and consider if one would be right for your members.*
- *Let us know if your group or association would like a “Train the Trainer” session, to learn about the State’s SDVOB pricing preference law, application of the preference, the bid and evaluation process, as well as the training materials and resources available to SDVOBs.*
- *Refer any SDVOB related questions to us, so that we can provide information and assistance – whether it is a group, association, or a business.*

How do I request that someone come to my event and present information on the SDVOB pricing preference, the State bid process, and the training materials available?

Submit your request to Genevieve Hayes, using the contact information above.

How do I request newsletter articles for my group or association?

Submit your request to Genevieve Hayes, using the contact information above. You may request articles on topics ranging from the SDVOB pricing preference, the bid process, training materials and resources, or a custom topic.