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DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET
LANSING

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April 14, 2010
Updated July 1, 2013

Qualified Disabled Veterans Preference

Act 91 of the Public Acts of 2005
Act 22 of the Public Acts of 2010

In awarding contracts under MCL 18.1241 and MCL 18.1261, the department shall give a preference of up to 10% of the amount of the contract to a "qualified disabled veteran".

MCL 18.1241 Applies to "contracts for construction, repair, remodeling, or demolition of a facility."

MCL 18.1261 applies to "the purchase of, the contracting for, and the providing 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 request to have the preference applied to a bid and the required documentation showing eligibility for the preference must be submitted as part of the bid, otherwise the preference will not be applied.

Definitions:

1. "Qualified Disabled Veteran" (QDV) means a business entity that is 51% or more owned by one or more veterans with a service-connected disability.
2. "Service Connected Disability" means 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).
3. "Veteran" means a person who served in the active military, naval, or air service and who was discharged or released from his or her service under conditions other than dishonorable.

Required Documentation:

1. Proof of service and conditions of discharge: DD 214
2. Proof of service-connected disability: DD 214 if the disability was documented at discharge or a Veterans Administration (VA) Rating Decision letter if the disability was documented after discharge.
3. Proof of Ownership: Appropriate legal documents setting forth the ownership of the business entity submitting the bid.

Application of the Preference:

For the purpose of evaluating and determining the low responsive bid, 10% of the lowest responsive bid (the bid that would otherwise receive the contract award if the preference were not being considered) will be deducted from all QDV bids. If the low responsive QDV bid, less the 10% preference, is less than the lowest responsive bid, then the QDV bid will be declared the official low responsive bid. The original QDV bid amount will be the basis of the contract award.

Example:

Lowest Responsive Bid	\$100,000
Lowest Responsive QDV Bid	\$109,000
Preference (10% of Lowest Responsive Bid)	\$10,000
Lowest Responsive QDV Bid Less Preference	\$99,000 (\$109,000 - \$10,000)
Official Low Responsive Bid	\$109,000

Determining 51% or more Ownership:

The business entity holding the contract must be 51% or more owned by one or more veterans (natural persons) with a service-connected disability. For example, a joint venture between two companies is owned by the companies and not a natural person, regardless of the ownership of either company.

Bonds, Insurance, and Certificate of Awardability:

These items shall be issued in the name of the business entity bidding.

Loss of Preference:

If during the term of the contract the contractor no longer qualifies for the preference, or if the contract is assigned to a business entity that does not qualify for the preference, they will be required to discount their contract price by the amount of the preference they received.