

SDVOB

PRICING PREFERENCE FAQ SHEET

STATE OF MICHIGAN
PROCUREMENT
Michigan.gov/MiProcurement

Frequently asked questions about the State of Michigan's Service-Disabled Veteran-Owned Business pricing preference.

WHAT IS THE SDVOB PRICING PREFERENCE?

Qualified Service-Disabled Veteran-Owned Businesses (SDVOBs) can receive up to a 10 percent pricing preference when bidding on State projects. This is in accordance with Public Act 431.

IS THE SDVOB PREFERENCE A SET ASIDE?

No. It is not a set aside and is different than the federal program.

The State of Michigan has a pricing preference for SDVOBs. All types of businesses will submit bid proposals, SDVOBs included.

DO STATE SDVOB LAWS APPLY TO LOCAL UNITS OF GOVERNMENT?

No. Michigan's local units of government and public entities (K-12 schools, public universities, transit authorities, etc.) are governed by different purchasing rules. For these entities, preferences may be set by local ordinances or other policies.

HOW DO I REQUEST THE PRICING PREFERENCE? IS THERE A PRE-CERTIFICATION?

The state does not pre-certify businesses as SDVOBs and does not use the federal CVE database.

To request the SDVOB pricing preference you must indicate that your company is an SDVOB in your bid response and provide required documentation.

WHAT DOCUMENTATION IS REQUIRED FOR THE SDVOB PREFERENCE?

- 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.

Alternatively, the state will accept a National Veterans Business Development Council (NVBDC) certification as verification of eligibility, provided certain conditions are met.

HOW IS THE PRICING PREFERENCE APPLIED?

Explanation and an example of how the SDVOB pricing preference is applied can be found on State of Michigan Procurement's website at Michigan.gov/SDVOB.

WHAT TRAINING IS AVAILABLE FOR SDVOBs?

Materials are available at Michigan.gov/MiProcurement that provide an overview on how to do business with the State. SDVOBs are also encouraged to contact us directly so that we may answer any individual questions.

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WHAT ELSE DO I NEED TO KNOW ABOUT THE SDVOB PRICING PREFERENCE?

Beyond simple Request for Quotes (RFQs), the State's more complex Request for Proposals (RFPs) may have a "two-step" process.

Step one is scoring the written part of a bid response. This scores items such as how the bidder will do the work, prior experience, and other similar factors. Bidders that receive a passing score on their written proposal proceed to step two. Step two evaluates bidder pricing. For these two-step bids, SDVOBs must write a bid response that receives a passing score to reach step two. The SDVOB price preference is then applied.

DOES THE PREFERENCE APPLY TO MDOT HIGHWAY & BRIDGE PROJECTS?

No. The Michigan Department of Transportation (MDOT) has its own statutory authority related to contracting highway and bridge construction projects. This means the SDVOB price preference described in Public Act 431 does not apply.

When construction projects receive funding from the federal government MDOT follows all applicable federal guidelines. This means that federal preferences may be available. Some MDOT projects require vendors to be pre-qualified.

You can view MDOT bids or MDOT's Disadvantaged Business Enterprise (DBE) program info at Michigan.gov/MDOT. Some MDOT bids require vendors to be pre-qualified.

WHO DO I CONTACT IF MY BID WASN'T RECOMMENDED FOR AN AWARD?

SDVOBs are encouraged to contact the buyer and request a debriefing. Debriefings are a valuable tool and can assist the SDVOB in crafting future bid proposals.

In a debriefing, the buyer reviews the SDVOB's bid proposal and pricing, discusses why the company was not the recommended vendor, notes the written proposal's strengths and weaknesses, and identifies areas of improvement for the next bid. Debriefings may take place in person or via phone call with the assigned buyer, whichever is more convenient.

Review the bid evaluation synopsis for comments about your company's bid proposal prior to the debriefing meeting.

WHO SHOULD I CONTACT WITH SDVOB-RELATED QUESTIONS?

General Procurement & Preference Questions

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