

HOUSE BILL No. 4530

April 4, 1989, Introduced by Reps. Ciaramitaro, Brown, Stabenow, Gire, DeMars and Pitoniak and referred to the Committee on Economic Development and Energy.

A bill to amend Act No. 431 of the Public Acts of 1984, entitled as amended

"The management and budget act,"

as amended, being sections 18.1101 to 18.1594 of the Michigan Compiled Laws, by adding section 268a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Act No. 431 of the Public Acts of 1984, as
2 amended, being sections 18.1101 to 18.1594 of the Michigan
3 Compiled Laws, is amended by adding section 268a to read as
4 follows:

5 SEC. 268A. (1) FOR THE PURPOSE OF DETERMINING THE LOWEST
6 RESPONSIBLE BIDDER FOR A STATE CONTRACT, THE DEPARTMENT SHALL
7 REDUCE THE AMOUNT OF EACH BID FOR THAT CONTRACT SUBMITTED BY A
8 BUSINESS BY AN AMOUNT EQUAL TO 5% OF THE AMOUNT OF THE BID
9 ATTRIBUTABLE TO COMPENSATION PAID BY THE BUSINESS TO MICHIGAN

1 EMPLOYEES WHO WORK ON, OR PERFORM SERVICES RELATIVE TO, THE GOODS
2 RELATING TO THAT PARTICULAR CONTRACT. AS USED IN THIS SUBSEC-
3 TION, "COMPENSATION" MEANS COMPENSATION AS DEFINED IN SECTION 4
4 OF THE SINGLE BUSINESS TAX ACT, ACT NO. 228 OF THE PUBLIC ACTS OF
5 1975, BEING SECTION 208.4 OF THE MICHIGAN COMPILED LAWS. IF A
6 BIDDER IS A SOLE PROPRIETOR OR PARTNERSHIP, COMPENSATION MAY
7 INCLUDE BUSINESS INCOME AS DEFINED IN SECTION 3 OF THE SINGLE
8 BUSINESS TAX ACT, ACT NO. 228 OF THE PUBLIC ACTS OF 1975, BEING
9 SECTION 208.3 OF THE MICHIGAN COMPILED LAWS.

10 (2) WHENEVER POSSIBLE, THE DEPARTMENT SHALL USE A MICHIGAN
11 MANUFACTURER OR PRODUCER AS A REFERENCE IN DEVELOPING BID
12 SPECIFICATIONS.

13 (3) A BIDDER WHO PROVIDES FALSE OR DECEPTIVE INFORMATION
14 THAT THE DEPARTMENT USES TO REDUCE A BID UNDER SUBSECTION (1) MAY
15 BE ASSESSED A CIVIL FINE NOT TO EXCEED THE AMOUNT OF THE BID SUB-
16 MITTED BY THE BUSINESS AND THE BIDDER IS NOT ELIGIBLE TO RECEIVE
17 A STATE CONTRACT FOR A PERIOD OF 6 MONTHS IMMEDIATELY SUCCEEDING
18 THE TIME THAT THE DEPARTMENT DISCOVERS THAT FALSE OR DECEPTIVE
19 INFORMATION WAS PROVIDED.

20 (4) AS USED IN THIS SECTION, "MICHIGAN EMPLOYEE" MEANS A
21 PERSON WHO MAINTAINS A LEGAL RESIDENCE IN THIS STATE AS DEFINED
22 IN SECTION 11 OF THE MICHIGAN ELECTION LAW, ACT NO. 116 OF THE
23 PUBLIC ACTS OF 1954, BEING SECTION 168.11 OF THE MICHIGAN
24 COMPILED LAWS.