

**THE MANAGEMENT AND BUDGET ACT (EXCERPT)**  
**Act 431 of 1984**

**18.1241 Contract for construction, repair, remodeling, or demolition of facility; bidding procedure; award; expenditure; director as agent; preference to qualified disabled veteran; responsive and responsible best value bidder; definition.**

Sec. 241.

(1) Except for the contracts permitted in section 240, a contract shall not be awarded for the construction, repair, remodeling, or demolition of a facility unless the contract is let pursuant to a bidding procedure that is approved by the board. The department shall issue directives prescribing procedures to be used to implement this section. The procedures shall require a competitive solicitation in the award of any contract for construction, repair, remodeling, or demolition of a facility.

(2) The department may award or approve the award, if the board approves, of construction contracts to construct a project for which the director is the agent and may expend, for the purposes and in the manner set forth, the amounts appropriated. The director is not the agent for a community college or institution of higher education, but may act in that capacity upon the specific request of a community college or institution of higher education.

(3) In awarding a contract under this section, the department shall give a preference of up to 10% of the amount of the contract to a qualified disabled veteran, as defined in section 261. If the qualified disabled veteran otherwise meets the requirements of the contract solicitation and with the preference is the lowest bidder, the department shall enter into a construction contract with the qualified disabled veteran under this act. If 2 or more qualified disabled veterans are the lowest bidders on a contract, all other things being equal, the qualified disabled veteran with the lowest bid shall be awarded the contract under this act.

(4) Subject to subsection (3), for projects funded in whole or part with state funds, the construction contract award shall be made to the responsive and responsible best value bidder. As used in this subsection, "responsive and responsible best value bidder" means a bidder who meets all the following:

- (a) A bidder who complies with all bid specifications and requirements.
- (b) A bidder who has been determined by the department to be responsible by the following criteria:
  - (i) The bidder's financial resources.
  - (ii) The bidder's technical capabilities.
  - (iii) The bidder's professional experience.
  - (iv) The bidder's past performance.
  - (v) The bidder's insurance and bonding capacity.
  - (vi) The bidder's business integrity.

(c) A bidder who has been selected by the department through a selection process that evaluates the bid on both price and qualitative components to determine what is the best value for this state. Qualitative components may include, but are not limited to, all of the following:

- (i) Technical design.
- (ii) Technical approach.
- (iii) Quality of proposed personnel.
- (iv) Management plans.

**History:** 1984, Act 431, Eff. Mar. 29, 1985 ;-- Am. 1999, Act 8, Imd. Eff. Mar. 22, 1999 ;-- Am. 2010, Act 22, Imd. Eff. Mar. 25, 2010 ;-- Am. 2012, Act 430, Imd. Eff. Dec. 21, 2012

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