

# Legislative Analysis

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## PROCUREMENT OF STATE VENDOR GOODS & SERVICES

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**House Bill 4480 without amendment**  
**Sponsor: Rep. Fred Miller**  
**Committee: Government Operations**

**Complete to 6-18-08**

### A SUMMARY OF HOUSE BILL 4480 AS REPORTED FROM COMMITTEE

The bill would amend Section 264 of the Management and Budget Act to allow the DMB to bar a vendor from consideration of a the award for a contract for goods or services to this state or suspend the procurement of goods and services from the vendor if, within the immediately preceding three years, the vendor, officer of the vendor, or owner with a 25 percent or more interest in the vendor has done one or more of the following:

- Been convicted of a criminal offense incident to the application for or performance of a state contract or subcontracts.
- Been convicted of any offense that negatively reflects on the vendor's business integrity, including embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or a violation of state or federal antitrust statutes.
- Been convicted of any other offense, violated any state or federal law, which in the opinion of the department indicates the vendor is unable to perform responsibility or that would reflect a lack of integrity that could negatively impact upon this state. An offense or violation under this section could include violation of the Natural Resources and Environmental Protection Act; Public Act 166 of 1965 (Prevailing Wage on State Projects); Public Act 390 of 1978 (Payment of Wages and Fringe Benefits); or a willful or persistent violation of the Michigan Occupational Safety and Health Act.
- Failed to substantially perform a state contract or subcontract according to its terms, conditions, and specifications within specified time limits.
- Violated department bid solicitation procedures or the terms of solicitation after bid submission.
- Refused to provide information or documents required by a contract, including information necessary for monitoring contract performance.
- Failed to respond to requests for information on vendor performance, or accumulated repeated substantiated complaints regarding a contract or purchase order.

--Failed to perform a state contract or contract in a manner consistent with state or federal law, rule, or regulation.

If the department found that grounds to debar a vendor exist, it would be required to send the vendor a notice of proposed debarment indicating the grounds and the procedure for requesting a hearing. If the vendor does not respond with a written request for a hearing within 20 calendar days, the department would issue the decision to debar without a hearing. The debarment period could be up to eight years. After the debarment period expires, the vendor could reapply for inclusion on bidder lists through the regular application process.

MCL 18.1264

**FISCAL IMPACT:**

House Bill 4480 would have no fiscal impact on the state of Michigan.

**POSITIONS:**

Department of Management and Budget supports the bill. (6-17-08)

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