

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

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|---|--------------------------|-----------------------|
| | | Number PRO-D-35 |
| | | Effective 10-14-14 |
| Section GENERAL POLICIES | Agencies Affected ALL | Replaces 11-1-10 |
| Title DISABLED VETERAN-OWNED BUSINESS POLICY | | Page 1 of 5 |

AUTHORITY: [Wis. Stats.](#) [16.283\(1\)\(b\),\(3\)](#)
[16.75\(3m\)\(a\)1,\(b\)2,3,\(c\)](#)



SCOPE:

- to define disabled veteran-owned business (DVB)
- to establish state policy with respect to procurement from disabled veteran-owned businesses
- to establish policy for the application of qualified bids
- to define the state's disabled veteran-owned business goal
- to define the state's disabled veteran-owned business policy, cost preference
- to establish reporting requirements for disabled veteran-owned business activity

DEFINITIONS: I. For the purpose of this policy, the following terms are defined:

- A. "Disabled veteran-owned business" is a business certified by the Department of Administration, Wisconsin Supplier Diversity Program under s. 16.283(3).
- B. "Disabled veteran" means a person who is verified by the Department of Veterans Affairs as being all of the following at the time the person applies for certification under s. 16.283(3):
 1. A veteran as defined in s. 45.01(12),
 2. A resident of this state, and
 3. A person who is in receipt of an award from the U.S. Department of Veterans Affairs of a service-connected disability rating under 38 USC 1114 or 1134 of at least 20%.
- C. "Qualified bid" is a bid or a proposal submitted by a disabled veteran-owned business that is a responsible and responsive competitive bid or proposal and that is not more than 5% higher than the apparent low bid or no more than 5% lower than the proposal with the apparent high point score. A qualified bid may not be considered on a procurement of printing or stationery.
- D. "Second tier" supplier is a supplier that invoices the prime contractor for commodities and/or services provided under the prime contractor's state contract. A sub-contractor is an example of a second tier supplier.

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CONTENT: I. Policy

The State of Wisconsin is committed to the involvement of disabled veteran-owned businesses in the state's procurement program. Disabled veteran-owned businesses will be encouraged to respond to the state's procurement needs. All efforts will be made to identify and eliminate any procedural or technical impediments to full participation of disabled veteran-owned businesses in state procurement.

II. Goal

State agencies will attempt to ensure that at least 1% of the total amount expended in the state's purchasing program in each fiscal year is paid to disabled veteran-owned businesses.

III. Verification of eligibility

- A. An award of a state contract based on a disabled veteran-owned business's qualified bid may only be made after the Department of Administration, Wisconsin Supplier Diversity Program certifies that the business meets the definition of a disabled veteran-owned business in s. 16.283(3). The business must be certified at the time of the bid/proposal opening. The Department of Administration provides a listing of certified disabled veteran-owned businesses.
- B. The State Bureau of Procurement and all agencies will refer applicants for certification as disabled veteran-owned businesses to the Department of Administration, Wisconsin Supplier Diversity Program.
- C. Disabled veteran-owned businesses should be referred to the Department of Administration, Wisconsin Supplier Diversity Program for certification as far in advance of the bid/proposal opening as possible.

IV. Application of qualified bids

- A. The State Bureau of Procurement and all agencies may make awards to the certified disabled veteran-owned business submitting the lowest qualified bid when that qualified bid is not more than 5% higher than the apparent low bid or the proposal is no more than 5% lower than the apparent high point score.

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B. Awards will be made to the certified disabled veteran-owned business submitting the lowest qualified bid or highest point score proposal. For any exceptions, prior to making an award, the agency must consult the Wisconsin Supplier Diversity Program manager and receive approval in writing of any decision not to award to the lowest qualified bid.

V. Qualified bid formula

A. On competitive bids

1. To achieve consistency in evaluating a DVB qualified bid against an apparent low bid, the following formula will be used:

$$\begin{array}{rcl}
 & (\text{Apparent low bid} \times 1.05) & = \quad \$ \underline{\hspace{2cm}} \\
 \text{Minus} & (\text{Lowest DVB qualified bid}) & = \quad \$ \underline{\hspace{2cm}} \\
 & (\text{Balance}) & = \quad \$ \underline{\hspace{2cm}}
 \end{array}$$

2. When the balance is a positive number, or 0, award may be made to the lowest DVB qualified bid. Award is made at the cost actually bid.

B. On bids for percentages off list price

1. To achieve consistency in evaluating bids for percentages off list price, the discounts will be converted to the amounts to be paid. For example, the following bids are received:

Apparent low bid = 40% discount off list price
 Lowest DVB qualified bid = 38% discount off list price

Conversion to the amount to be paid:

Apparent low bid = 60% of list price
 Lowest DVB qualified bid = 62% of list price

Application of DVB formula:

$$\begin{array}{rcl}
 & (\text{Apparent low bid (60\%)} \times 1.05) & = \quad 63\% \\
 \text{Minus} & (\text{Lowest DVB qualified bid}) & = \quad 62\% \\
 & (\text{Balance}) & = \quad 1\%
 \end{array}$$

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| Title DISABLED VETERAN-OWNED BUSINESS POLICY | | Page 4 of 5 |

Result:

Since the balance is a positive number, award may be made to the lowest DVB qualified bid.

2. Therefore, the formula to be used when calculating preferences for bids for percentages off list price is:

$$\begin{array}{rcl}
 & (\text{Apparent low bid \% of list price} \times 1.05) & = _\% \\
 \text{Minus } & (\text{Lowest DVB qualified bid \% of list price}) & = _\% \\
 & (\text{Balance}) & = _\%
 \end{array}$$

When the balance is a positive number, or 0, award may be made to the lowest DVB qualified bid.

C. On proposals (competitive negotiations)

1. To achieve consistency in evaluating a qualified response against an apparent high point score, the following formula will be used:

$$\begin{array}{rcl}
 & (\text{Apparent high DVB proposer point total} \times 1.05) & = __ \\
 \text{Minus } & (\text{High response point total}) & = __ \\
 & (\text{Balance}) & = __
 \end{array}$$

2. When the balance is a positive number, or 0, award may be made to the DVB proposer response.

VI. Reporting

Each central procuring office will record and report to the Department of Administration's Wisconsin Supplier Diversity Program quarterly using form [DOA-3240](#), Disabled Veteran-owned Business Procurement Activity Report. See [PRO-G-3](#), Disabled Veteran-owned Business Procurement Activity Reporting.

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VII. Subcontractual reporting

On any procurement that involves a contractor (first tier provider) to the state employing subcontractors (second tier provider) as a result of the state contract, any amount of the contract that was subcontracted to a certified disabled veteran-owned business will be reported by the prime contractor to the agency procurement office and included in the Minority & Targeted Business Participation Quarterly Report (form [DOA-3234](#)).

Authorized:



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State Bureau of Procurement