



# State Procurement Manual

Department of Administration, State Bureau of Procurement

Number  
PRO-606

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ADMINISTRATIVE POLICY	8/1/25	PRO-D-1, D-9, D-10, D-12, D-35, G-2, G-3 Various
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**SCOPE:** The scope of this policy is to define state procurement spending goals with certain diverse suppliers, prescribe official procedure for applying preferences, and establish agency reporting requirements.

**POLICY:** The State of Wisconsin is committed to supplier diversity. State agencies will engage, encourage, and remove undue impediments, to promote participation of diverse suppliers in state purchasing.

The Department of Administration, Wisconsin Supplier Diversity Program (WISDP) certifies minority-owned business enterprises (MBE), disabled veteran-owned businesses (DVB) and woman-owned businesses (WBE) as defined in applicable statutes. See PRO-101, Procurement Definitions and Thresholds. A listing of businesses certified by WISDP is posted on the Supplier Diversity Program website.

In accordance with Wisconsin law, State agencies will attempt to ensure that 5% of the total amount expended in state purchasing in each fiscal year is paid to MBEs and that 1% is paid to DVBs.

In furtherance of these goals, state agencies may apply a 5% MBE\*/DVB preference (referred to herein as the "MBE/DVB preference") in competitive solicitations. For the purposes of this policy, a qualified bid is a responsible bid or proposal submitted by a WISDP-certified MBE or DVB. See PRO-305, Basis for Bid Awards and PRO-308, Basis of Award for Competitive Negotiation (RFP).

**\*The application of a 5% bidding preference for certified minority businesses is currently paused.**

For agencies using the competitive process to award contracts funded by approved federal grants or programs with additional or modified supplier diversity stipulations for the resulting contract as a condition of receiving



## Legal Authority

Wis. Stats. 16.705(3m); 560.036; 15.107(2); 16.75(4) (a-d); 16.755; 16.283(1)(b)(3); 45.35(5); 16.75(3m) (a)1, (b)2,3, (c)

Agencies Affected: All, unless otherwise noted

## Authorized:

Cheryl Edgington, Director  
State Bureau of Procurement



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funds, the agency will include those requirements and terms in the solicitation(s).

The MBE/DVB preference does not apply to the procurement of printing or stationery. See PRO-505, Print Procurement Policy and Procedure.

## PROCEDURE:

### I. Supplier Engagement

- A. Only MBEs and DVBs certified by WISDP are eligible for the preferences outlined herein. However, state agencies will encourage the participation of all diverse suppliers (e.g. minority-owned, disabled veteran-owned, woman-owned, small and veteran-owned) in the state purchasing program. Specifically, the Department will:
  1. Maintain the state's official bidders list which includes but is not limited to diverse suppliers. See PRO-103, Procurement Systems and Bidders Lists.
  2. Develop ways of simplifying specifications and terms so that they will not impose unnecessary administrative burdens on diverse businesses. See PRO-202, Specifications and Standards and PRO-404, Standard Terms and Conditions.
  3. Assist diverse businesses in complying with the state's bidding and RFP procedures to the extent no bidder is treated unfairly or inequitably.
  4. Using required procurement systems and the statewide bidders list, notify diverse businesses of bid and proposal opportunities.



#### Legal Authority

Wis. Stats. 16.705(3m); 560.036; 15.107(2); 16.75(4) (a-d); 16.755; 16.283(1)(b)(3); 45.35(5); 16.75(3m) (a)1, (b)2,3, (c)

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## II. Application of Qualified Bids

- A. State agencies may award contract(s) to certified MBE/DVBs when a 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. A contract award based on application of the MBE/DVB preference may only be made if the business is certified at the time of the bid/proposal opening.

## III. Qualified Bid Formula

To achieve consistency in calculating qualified bids/proposals, the following formulas will be used:

### A. On competitive bids

$$\begin{array}{rcl} \text{(Apparent low non-MBE/DVB bid(s) x 1.05)} & = & \$ \underline{\hspace{2cm}} \\ \text{Minus (Lowest MBE/DVB bid(s))} & = & \$ \underline{\hspace{2cm}} \\ \text{(Balance)} & = & \$ \underline{\hspace{2cm}} \end{array}$$

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

### B. On bids for percentages off list price

1. For bids with percentages off list price, the discounts will be converted to the amounts to be paid. For example, the following bids are received:



#### Legal Authority

Wis. Stats. 16.705(3m); 560.036; 15.107(2); 16.75(4) (a-d); 16.755; 16.283(1)(b)(3); 45.35(5); 16.75(3m) (a)1, (b)2,3, (c)

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Apparent low non-MBE/DVB bid(s) = 40% off list price  
Lowest MBE/DVB bid(s) = 38% off list price

Conversion to the amount to be paid:

Apparent non-MBE/DVB low bid(s) = 60% of the list price  
Lowest MBE/DVB bid(s) = 62% of the list price

Application of formula:

(Apparent non-MBE/DVB low bid(s) (60%) x 1.05)	= 63%
Minus (Lowest MBE/DVB bid(s))	= 62%
(Balance)	= 1%

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

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

(Apparent low non-MBE/DVB bid % of list price x 1.05)	= __%
Minus (Lowest MBE/DVB bid % of list price)	= __%
(Balance)	= __%

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

## C. On proposals (competitive negotiations)

1. In evaluating a qualified proposal against an apparent high point scoring proposal, the following formula will be used:



### Legal Authority

Wis. Stats. 16.705(3m); 560.036; 15.107(2); 16.75(4) (a-d);  
16.755; 16.283(1)(b)(3); 45.35(5); 16.75(3m) (a)1, (b)2,3, (c)

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(Apparent high MBE/DVB qualified proposal(s) point total x 1.05) = \_\_\_\_\_  
Minus(High non-MBE/DVB proposal(s) point total) = \_\_\_\_\_  
(Balance) = \_\_\_\_\_

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

## IV. Reporting

- A. By the 15<sup>th</sup> of each month, state agencies will report spend activities with certified MBEs and DVBs to WISDP using the online reporting tool at [wisdpreporting.wi.gov](http://wisdpreporting.wi.gov). UW Campuses and agencies not using STAR will report spend activities by the 25<sup>th</sup> of each month.
- B. Reports are prepared by each agency or sub-unit. Sub-unit reports are forwarded to the agency's central purchasing office where information is consolidated prior to submission.
- C. State agencies will advise contractors of their responsibility to report any subcontracting activity with certified MBEs or DVBs under a state contract.
- D. On any state contract which involves commodities provided or services performed by subcontractors that are certified MBEs or DVBs, the amount paid will be reported by the contractor to the procuring agency. This amount will be included in agency reports.
- E. Annual Report



### Legal Authority

Wis. Stats. 16.705(3m); 560.036; 15.107(2); 16.75(4) (a-d); 16.755; 16.283(1)(b)(3); 45.35(5); 16.75(3m) (a)1, (b)2,3, (c)

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The Department submits an annual report to the Governor and the chief clerk of each house of the legislature on the total amounts and percentage expended with MBEs and DVBs.

## V. Veteran-Owned and Small Businesses

- A. To encourage the participation of small and veteran-owned business in furtherance of the actions outlined in section I, the Department will seek cooperation and assistance as applicable from the Wisconsin Department of Safety and Professional Services and the Wisconsin Department of Veterans Affairs (DVA).
- B. DVA certifies veteran-owned businesses. A listing of businesses certified by DVA, and additional information about certification, is posted on the Veteran-Owned Business Certification website.

## VI. Council on Small, Veteran-Owned and Minority Business Opportunities

As requested by the Council, the Bureau will submit reports related to the participation of diverse businesses in the state's purchasing program.



### Legal Authority

Wis. Stats. 16.705(3m); 560.036; 15.107(2); 16.75(4) (a-d); 16.755; 16.283(1)(b)(3); 45.35(5); 16.75(3m) (a)1, (b)2,3, (c)

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