



SENATE BILL No. 901

October 19, 1993, Introduced by Senator WELBORN and referred
to the Committee on Commerce

A bill to amend sections 623a and 1274 of Act No 451 of the
Public Acts of 1976, entitled as amended
"The school code of 1976,"
as amended by Act No 159 of the Public Acts of 1990, being sec-
tions 380 623a and 380 1274 of the Michigan Compiled Laws

THE PEOPLE OF THE STATE OF MICHIGAN ENACT

1 Section 1 Sections 623a and 1274 of Act No 451 of the
2 Public Acts of 1976, as amended by Act No 159 of the Public Acts
3 of 1990, being sections 380 623a and 380 1274 of the Michigan
4 Compiled Laws, are amended to read as follows

5 Sec 623a (1) An intermediate school board shall adopt
6 written policies governing the procurement of supplies, materi-
7 als, and equipment An intermediate school district shall not
8 purchase an item or a group of items purchased in a single
9 transaction costing \$12,500 00 or more unless competitive bids

1 are obtained for those items and the purchase of those items is
2 approved by the intermediate school board The maximum amount
3 specified in this section shall be adjusted each year by multi-
4 plying the amount for the immediately preceding year by the per-
5 centage by which the average consumer price index for all items
6 for the 12 months ending August 31 of the year in which the
7 adjustment is made differs from that index's average for the
8 12 months ending on August 31 of the immediately preceding year
9 and adding that product to the maximum amount that applied in the
10 immediately preceding year, rounding to the nearest whole
11 dollar

12 (2) AN INTERMEDIATE SCHOOL BOARD SHALL NOT CONTRACT FOR
13 HEALTH, DENTAL, VISION, DISABILITY, LIFE, OR OTHER GROUP INSUR-
14 ANCE COVERAGE UNLESS COMPETITIVE BIDS ARE OBTAINED ON THE
15 COVERAGE THE COMPETITIVE BIDS REQUIRED BY THIS SUBSECTION APPLY
16 ONLY TO THE COST OF THE TOTAL COVERAGE THE SCOPE OF HEALTH,
17 DENTAL, VISION, DISABILITY LIFE AND OTHER GROUP INSURANCE COV-
18 ERAGE PROVIDED BY THE INTERMEDIATE SCHOOL DISTRICT SHALL CONTINUE
19 TO BE NEGOTIATED, WHEN APPLICABLE, PURSUANT TO ACT NO 336 OF THE
20 PUBLIC ACTS OF 1947, BEING SECTIONS 423 201 TO 423 216 OF THE
21 MICHIGAN COMPILED LAWS

22 Sec 1274 (1) The board of a school district shall adopt
23 written policies governing the procurement of supplies, materi-
24 als, and equipment A school district shall not purchase an item
25 or a group of items in a single transaction costing \$12,500 00 or
26 more unless competitive bids are obtained for those items and the
27 purchase of those items is approved by the school board The

1 maximum amount specified in this subsection shall be adjusted
2 each year by multiplying the amount for the immediately preceding
3 year by the percentage by which the average consumer price index
4 for all items for the 12 months ending August 31 of the year in
5 which the adjustment is made differs from that index's average
6 for the 12 months ending on August 31 of the immediately preced-
7 ing year and adding that product to the maximum amount that
8 applied in the immediately preceding year, rounding to the near-
9 est whole dollar

10 (2) The board of a school district or local act school dis-
11 trict may acquire by purchase, lease, or rental, with or without
12 option to purchase, equipment necessary for the operation of the
13 school program, including, but not limited to, heating, water
14 heating, and cooking equipment for school buildings, and may pay
15 for the equipment from operating funds of the district Heating
16 and cooking equipment may be purchased on a title retaining con-
17 tract or other form of agreement creating a security interest and
18 pledging in payment money in the general fund or funds received
19 from state school aid The contracts may extend for not more
20 than 10 years

21 (3) THE BOARD OF A SCHOOL DISTRICT SHALL NOT CONTRACT FOR
22 HEALTH, DENTAL, VISION, DISABILITY, LIFE, OR OTHER GROUP INSUR-
23 ANCE COVERAGE UNLESS COMPETITIVE BIDS ARE OBTAINED ON THE
24 COVERAGE THE COMPETITIVE BIDS REQUIRED BY THIS SUBSECTION APPLY
25 ONLY TO THE COST OF THE TOTAL COVERAGE THE SCOPE OF HEALTH,
26 DENTAL, VISION, DISABILITY, LIFE, AND OTHER GROUP INSURANCE
27 COVERAGE PROVIDED BY THE SCHOOL DISTRICT SHALL CONTINUE TO BE

1 NEGOTIATED WHEN APPLICABLE, PURSUANT TO ACT NO 336 OF THE
2 PUBLIC ACTS OF 1947, BEING SECTIONS 423 201 TO 423 216 OF THE
3 MICHIGAN COMPILED LAWS