



# HOUSE BILL No. 6072

September 12, 1996, Introduced by Reps. Hill, Bush, Ryan, Goschka, Kukuk, Green, Bodem, McBryde, Whyman, Lowe, Crissman and Rocca and referred to the Committee on Appropriations.

A bill to amend section 261 of Act No. 431 of the Public Acts of 1984, entitled as amended

"The management and budget act,"

as amended by Act No. 46 of the Public Acts of 1993, being section 18.1261 of the Michigan Compiled Laws.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1 Section 1. Section 261 of Act No. 431 of the Public Acts of  
2 1984, as amended by Act No. 46 of the Public Acts of 1993, being  
3 section 18.1261 of the Michigan Compiled Laws, is amended to read  
4 as follows:

5 Sec. 261. (1) The department shall provide for the purchase  
6 of, the contracting for, and the providing of supplies, materi-  
7 als, services, insurance, utilities, third party financing,  
8 equipment, printing, and all other items as needed by state  
9 agencies for which the legislature has not otherwise expressly

1 provided. In all purchases made by the department, all other  
2 things being equal, preference shall be given to products manu-  
3 factured or services offered by Michigan-based firms, if consis-  
4 tent with federal statutes. The department shall solicit compet-  
5 itive bids from the private sector whenever practicable to effi-  
6 ciently and effectively meet the state's needs. The department  
7 shall first determine that competitive solicitation of bids in  
8 the private sector is not appropriate before it shall use any  
9 other procurement method for an acquisition.

10 (2) The department shall make all discretionary decisions  
11 concerning the solicitation, award, amendment, cancellation, and  
12 appeal of state contracts.

13 (3) The department shall utilize competitive bidding for all  
14 purchases authorized pursuant to subsection (1) unless the  
15 department has determined that another procurement method is in  
16 the state's best interests.

17 (4) The department may delegate its procurement authority to  
18 other state agencies within dollar limitations and for designated  
19 types of procurements. The department may withdraw delegated  
20 authority upon a finding that a state agency did not comply with  
21 departmental procurement directives.

22 (5) The department may enter into lease purchases or  
23 installment purchases for periods not exceeding the anticipated  
24 useful life of the items purchased unless otherwise prohibited by  
25 law.

26 (6) The department shall issue directives for the  
27 procurement, receipt, inspection, and storage of supplies,

1 materials, and equipment, and for printing and services needed by  
2 state agencies. The department shall provide standard specifica-  
3 tions and standards of performance applicable to purchases.

4 (7) The department may enter into a cooperative purchasing  
5 agreement with 1 or more other states or public entities for the  
6 purchase of goods, including, but not limited to, recycled goods,  
7 and services necessary for state programs.

8 (8) BEGINNING OCTOBER 1, 1996, A BRANCH OF STATE GOVERNMENT,  
9 A PRINCIPAL EXECUTIVE DEPARTMENT, OR A STATE AGENCY THAT IS  
10 APPROPRIATED FUNDS SHALL NOT USE ANY OF THOSE FUNDS FOR THE PUR-  
11 CHASE OF FOREIGN GOODS OR SERVICES, IF COMPETITIVELY PRICED AMER-  
12 ICAN GOODS OR SERVICES OF COMPARABLE QUALITY ARE AVAILABLE.