

# SENATE BILL No. 1109

March 18, 2004, Introduced by Senators BARCIA, SCHAUER, ALLEN, BERNERO,  
GOSCHKA, HARDIMAN, OLSHOVE and BASHAM and referred to the Committee on  
Commerce and Labor.

A bill to amend 1984 PA 431, entitled  
"The management and budget act,"  
by amending section 261 (MCL 18.1261), as amended by 1993 PA 46.

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

1       Sec. 261. (1) The department shall provide for the purchase  
2 of, the contracting for, and the providing of supplies,  
3 materials, services, insurance, utilities, third party financing,  
4 equipment, printing, and all other items as needed by state  
5 agencies for which the legislature has not otherwise expressly  
6 provided. In all purchases made by the department, all other  
7 things being equal, preference shall be given to products  
8 manufactured or services offered by Michigan-based firms, if  
9 consistent with federal statutes. The department shall solicit  
10 competitive bids from the private sector whenever practicable to  
11 efficiently and effectively meet the state's needs. The

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1 department shall first determine that competitive solicitation of  
2 bids in the private sector is not appropriate before it shall use  
3 any other procurement method for an acquisition.

4 (2) The department shall make all discretionary decisions  
5 concerning the solicitation, award, amendment, cancellation, and  
6 appeal of state contracts.

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

11 (4) The department may delegate its procurement authority to  
12 other state agencies within dollar limitations and for designated  
13 types of procurements. The department may withdraw delegated  
14 authority upon a finding that a state agency did not comply with  
15 departmental procurement directives.

16 (5) The department may enter into lease purchases or  
17 installment purchases for periods not exceeding the anticipated  
18 useful life of the items purchased unless otherwise prohibited by  
19 law.

20 (6) The department shall issue directives for the  
21 procurement, receipt, inspection, and storage of supplies,  
22 materials, and equipment, and for printing and services needed by  
23 state agencies. The department shall provide standard  
24 specifications and standards of performance applicable to  
25 purchases.

26 (7) The department may enter into a cooperative purchasing  
27 agreement with 1 or more other states or public entities for the

1 purchase of goods, including, but not limited to, recycled goods,  
2 and services necessary for state programs.

3       (8) Beginning on the effective date of the 2004 amendatory  
4 act that added this subsection, the department or a state agency  
5 exercising delegated purchasing authority under subsection (4)  
6 shall not award a contract unless the contract provides that any  
7 service under the contract or a subcontract under the contract  
8 will be performed by either a citizen of the United States or an  
9 individual eligible for employment in the United States. A  
10 contract shall require the contractor and any subcontractor or  
11 assignee of the contract to retain an employment eligibility  
12 verification form as required under 8 USC 1324a for each  
13 individual rendering services under the contract or subcontract.  
14 This subsection does not apply to contracts that are exclusively  
15 for supplies, materials, or equipment.