

HOUSE BILL No. 5639

January 17, 2008, Introduced by Reps. Spade, Byrum, Simpson, Polidori, Gonzales, Alma Smith, Robert Jones and Miller and referred to the Committee on Education.

A bill to amend 1976 PA 451, entitled "The revised school code," by amending sections 623a, 1267, and 1274 (MCL 380.623a, 380.1267, and 380.1274), section 623a as amended by 2007 PA 45, section 1267 as amended by 2004 PA 232, and section 1274 as amended by 2004 PA 588.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 623a. (1) An intermediate school board shall adopt
2 written policies governing the procurement of supplies, materials,
3 and equipment.

4 (2) Except as otherwise provided in subsection ~~(3)~~(4), an
5 intermediate school district shall not purchase an item or a group
6 of items purchased in a single transaction costing \$19,211.00 or
7 more unless competitive bids are obtained for those items and the

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

11 (3) IN AWARDING A CONTRACT UNDER THIS SECTION, THE
12 INTERMEDIATE SCHOOL DISTRICT MAY GIVE A PREFERENCE OF UP TO 10% OF
13 THE AMOUNT OF THE CONTRACT TO A MICHIGAN-BASED FIRM. IF THE
14 MICHIGAN-BASED FIRM OTHERWISE MEETS THE REQUIREMENTS OF THE
15 CONTRACT SOLICITATION AND WITH THESE PREFERENCES IS THE LOWEST
16 RESPONSIBLE BIDDER, THE INTERMEDIATE SCHOOL DISTRICT MAY AWARD THE
17 CONTRACT TO THE MICHIGAN-BASED FIRM. IF 2 OR MORE MICHIGAN-BASED
18 FIRMS ARE THE LOWEST RESPONSIBLE BIDDERS ON A CONTRACT WITH THESE
19 PREFERENCES, ALL OTHER THINGS BEING EQUAL, THE INTERMEDIATE SCHOOL
20 DISTRICT MAY AWARD THE CONTRACT TO THE MICHIGAN-BASED FIRM WITH THE
21 LOWEST RESPONSIBLE BID.

22 (4) ~~(3)~~—An intermediate school district is not required to
23 obtain competitive bids for items purchased through the cooperative
24 bulk purchasing program operated by the department of management
25 and budget under section 263(3) of the management and budget act,
26 1984 PA 431, MCL 18.1263.

27 (5) ~~(4)~~—The intermediate school board of an intermediate

1 school district may acquire by purchase, lease, or rental, with or
2 without option to purchase, equipment necessary for the operation
3 of intermediate school district programs, including, but not
4 limited to, heating, water heating, and cooking equipment for
5 school buildings, and may pay for the equipment from operating
6 funds of the intermediate school district. Heating and cooking
7 equipment may be purchased on a title retaining contract or other
8 form of agreement creating a security interest and pledging in
9 payment money in the general fund or funds received from state
10 school aid. The contracts may extend for not more than 10 years.

11 (6) AS USED IN THIS SECTION, "MICHIGAN-BASED FIRM" MEANS A
12 FIRM THAT WOULD QUALIFY FOR A PREFERENCE IN A PROCUREMENT CONTRACT
13 WITH THIS STATE UNDER SECTION 261(1) OF THE MANAGEMENT AND BUDGET
14 ACT, 1984 PA 431, MCL 18.1261, AS DETERMINED BY THE DEPARTMENT OF
15 MANAGEMENT AND BUDGET.

16 Sec. 1267. (1) Before commencing construction of a new school
17 building, or addition to or repair or renovation of an existing
18 school building, except repair in emergency situations, the board
19 of a school district or intermediate school district or board of
20 directors of a public school academy, shall obtain competitive bids
21 on all the material and labor required for the complete
22 construction of a proposed new building or addition to or repair or
23 renovation of an existing school building.

24 (2) The board, intermediate school board, or board of
25 directors shall advertise for the bids required under subsection
26 (1) by placing an advertisement for bids at least once in a
27 newspaper of general circulation in the area where the building or

1 addition is to be constructed or where the repair or renovation of
2 an existing building is to take place and by posting an
3 advertisement for bids for at least 2 weeks on the department of
4 management and budget website on a page on the website maintained
5 for this purpose or on a website maintained by a school
6 organization and designated by the department of management and
7 budget for this purpose. If the department of management and budget
8 designates a school organization website for this purpose, the
9 department of management and budget shall indicate this fact on its
10 website and include a link on its website to the school
11 organization website.

12 (3) The advertisement for bids shall do all of the following:

13 (a) Specify the date and time by which all bids must be
14 received by the board, intermediate school board, or board of
15 directors.

16 (b) State that the board, intermediate school board, or board
17 of directors will not consider or accept a bid received by the
18 board, intermediate school board, or board of directors after the
19 date and time specified for bid submission.

20 (c) Identify the time, date, and place of a public meeting at
21 which the board, intermediate school board, or board of directors
22 or its designee will open and read aloud each bid received by the
23 board, intermediate school board, or board of directors by the date
24 and time specified in subdivision (a).

25 (d) State that the bid shall be accompanied by a sworn and
26 notarized statement disclosing any familial relationship that
27 exists between the owner or any employee of the bidder and any

1 member of the board, intermediate school board, or board of
2 directors or the superintendent of the school district,
3 intermediate superintendent of the intermediate school district, or
4 chief executive officer of the public school academy. A board,
5 intermediate school board, or board of directors shall not accept a
6 bid that does not include this sworn and notarized disclosure
7 statement.

8 (4) The board, intermediate school board, or board of
9 directors shall require each bidder for a contract under this
10 section to file with the board, intermediate school board, or board
11 of directors security in an amount not less than 1/20 of the amount
12 of the bid conditioned to secure the school district from loss or
13 damage by reason of the withdrawal of the bid or by the failure of
14 the bidder to enter a contract for performance, if the bid is
15 accepted by the board, intermediate school board, or board of
16 directors.

17 (5) The board, intermediate school board, or board of
18 directors shall not open, consider, or accept a bid that the board,
19 intermediate school board, or board of directors receives after the
20 date and time specified for bid submission in the advertisement for
21 bids described in subsection (3).

22 (6) At a public meeting identified in the advertisement for
23 bids described in subsection (3), the board, intermediate school
24 board, or board of directors or its designee shall open and read
25 aloud each bid that the board, intermediate school board, or board
26 of directors received at or before the time and date for bid
27 submission specified in the advertisement for bids. The board,

1 intermediate school board, or board of directors may reject any or
2 all bids, and if all bids are rejected, shall readvertise in the
3 manner required by this section.

4 (7) IN AWARDING A CONTRACT UNDER THIS SECTION, THE BOARD,
5 INTERMEDIATE SCHOOL BOARD, OR BOARD OF DIRECTORS MAY GIVE A
6 PREFERENCE OF UP TO 10% OF THE AMOUNT OF THE CONTRACT TO A
7 MICHIGAN-BASED FIRM. IF THE MICHIGAN-BASED FIRM OTHERWISE MEETS THE
8 REQUIREMENTS OF THE CONTRACT SOLICITATION AND WITH THESE
9 PREFERENCES IS THE LOWEST RESPONSIBLE BIDDER, THE BOARD,
10 INTERMEDIATE SCHOOL BOARD, OR BOARD OF DIRECTORS MAY AWARD THE
11 CONTRACT TO THE MICHIGAN-BASED FIRM. IF 2 OR MORE MICHIGAN-BASED
12 FIRMS ARE THE LOWEST RESPONSIBLE BIDDERS ON A CONTRACT WITH THESE
13 PREFERENCES, ALL OTHER THINGS BEING EQUAL, THE BOARD, INTERMEDIATE
14 SCHOOL BOARD, OR BOARD OF DIRECTORS MAY AWARD THE CONTRACT TO THE
15 MICHIGAN-BASED FIRM WITH THE LOWEST RESPONSIBLE BID.

16 (8) ~~(7)~~—This section does not apply to buildings, renovations,
17 or repairs costing less than ~~\$17,932.00~~ \$19,211.00 or to repair
18 work normally performed by school district, intermediate school
19 board, or public school academy employees. The maximum amount
20 specified in this subsection shall be adjusted each year by
21 multiplying the amount for the immediately preceding year by the
22 percentage by which the average consumer price index for all items
23 for the 12 months ending August 31 of the year in which the
24 adjustment is made differs from that index's average for the 12
25 months ending on August 31 of the immediately preceding year and
26 adding that product to the maximum amount that applied in the
27 immediately preceding year, rounding to the nearest whole dollar.

1 (9) AS USED IN THIS SECTION, "MICHIGAN-BASED FIRM" MEANS A
2 FIRM THAT WOULD QUALIFY FOR A PREFERENCE IN A PROCUREMENT CONTRACT
3 WITH THIS STATE UNDER SECTION 261(1) OF THE MANAGEMENT AND BUDGET
4 ACT, 1984 PA 431, MCL 18.1261, AS DETERMINED BY THE DEPARTMENT OF
5 MANAGEMENT AND BUDGET.

6 Sec. 1274. (1) The board of a school district or board of
7 directors of a public school academy shall adopt written policies
8 governing the procurement of supplies, materials, and equipment.

9 (2) Except as otherwise provided in subsection ~~(3)~~(4), a
10 school district or public school academy shall not purchase an item
11 or a group of items in a single transaction costing ~~\$17,932.00~~
12 \$19,211.00 or more unless competitive bids are obtained for those
13 items and the purchase of those items is approved by the school
14 board or board of directors. The maximum amount specified in this
15 subsection shall be adjusted each year by multiplying the amount
16 for the immediately preceding year by the percentage by which the
17 average consumer price index for all items for the 12 months ending
18 August 31 of the year in which the adjustment is made differs from
19 that index's average for the 12 months ending on August 31 of the
20 immediately preceding year and adding that product to the maximum
21 amount that applied in the immediately preceding year, rounding to
22 the nearest whole dollar.

23 (3) IN AWARDING A CONTRACT UNDER THIS SECTION, THE SCHOOL
24 DISTRICT OR PUBLIC SCHOOL ACADEMY MAY GIVE A PREFERENCE OF UP TO
25 10% OF THE AMOUNT OF THE CONTRACT TO A MICHIGAN-BASED FIRM. IF THE
26 MICHIGAN-BASED FIRM OTHERWISE MEETS THE REQUIREMENTS OF THE
27 CONTRACT SOLICITATION AND WITH THESE PREFERENCES IS THE LOWEST

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5 SCHOOL DISTRICT OR PUBLIC SCHOOL ACADEMY MAY AWARD THE CONTRACT TO
6 THE MICHIGAN-BASED FIRM WITH THE LOWEST RESPONSIBLE BID.

7 (4) ~~(3)~~—A school district or public school academy is not
8 required to obtain competitive bids for items purchased through the
9 cooperative bulk purchasing program operated by the department of
10 management and budget under section 263(3) of the management and
11 budget act, 1984 PA 431, MCL 18.1263.

12 (5) ~~(4)~~—The board of a school district or local act school
13 district or board of directors of a public school academy may
14 acquire by purchase, lease, or rental, with or without option to
15 purchase, equipment necessary for the operation of the school
16 program, including, but not limited to, heating, water heating, and
17 cooking equipment for school buildings, and may pay for the
18 equipment from operating funds of the district or public school
19 academy. Heating and cooking equipment may be purchased on a title
20 retaining contract or other form of agreement creating a security
21 interest and pledging in payment money in the general fund or funds
22 received from state school aid. The contracts may extend for not
23 more than 10 years.

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