

BID SPECIFICATIONS FOR PUBLIC SCHOOL CONSTRUCTION PROJECTS

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House Bill 4695

Sponsor: Rep. Mike Shirkey

Committee: Commerce

Complete to 6-13-11

A SUMMARY OF HOUSE BILL 4695 AS INTRODUCED 5-31-11

This bill would amend Section 1267 of the Revised School Code to add an additional requirement when advertising for construction bids.

Under current law, before beginning the construction of an addition or renovation to an existing school building or the construction of a new school building, the board of a school district, intermediate school district, or public school academy must obtain competitive bids on all materials and labor needed for the completion of the project(s). The board is required to place public advertisements and those advertisements have to meet the requirements as described in the Revised School Code.

Currently, the advertisement for bid must meet the following requirements:

- State the deadline that all bids must be received by.
- State that no bids will be accepted after the deadline.
- List the date, time, and place where to board will open and make the bids public.
- Require the bid to contain a sworn and notarized statement disclosing any familial relationship between the bidder and a member of the school board.

House Bill 4695 would amend Section 1267 of the Revised School Code to add an additional requirement when advertising for bids. It would require the advertisement to include ***bid specifications for the materials to be used in performing the contract*** and must include the following information:

- The bid specifications must be written by the architect, engineer, designer, or draftsman who provides design services or writes specifications, directly or indirectly, for materials to be used in performing the contract and must specify the required performance and design characteristics of the materials. The author of the bid specifications cannot be an employee or representative of a manufacturer of an item to be used in performing the contract.
- If it is impossible or impractical to specify the required performance and design characteristics, the author may specify a brand name and at least three examples of items that establish an acceptable range for items of equal or equivalent design and that are totally independent of each other in regard to ownership. If three or

more items of similar design are not available, then as many items meeting these requirements as are available must be specified.

- The specifications must state that bids do not require the specified brand of an item and that equivalent items are acceptable. It may list one or more preferred brands if the specification also identifies the performance standards that support the preference. An item that meets the performance standard listed is considered equivalent to the listed brand item.

The bill would also increase the maximum monetary amount for which school construction projects can be exempted from bid requirements from \$20, 959.00 to \$21,308.00. This reflects the act's requirement that the amount be adjusted annually based on the consumer price index.

MCL 380.1267

FISCAL IMPACT:

Reportedly, the bill applies to situations in which the bid specifications for a construction project specify that the equipment or building components or materials used in the project meet certain performance criteria, or name a specific brand or model to be used. These kinds of specifications are thought to restrict the availability of equipment and materials that can be used in the project and may restrict the pool of available suppliers and manufacturers that may bid on a project. The bill would tend to reduce construction costs to the extent that the bill broadens the scope of materials and equipment that can be used in a project and, relatedly, the number of suppliers and manufacturers that may bid or compete on a project.

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