

SUBSTITUTE FOR  
HOUSE BILL NO. 4306  
(As amended May 10, 2011)

A bill to amend 1976 PA 451, entitled  
"The revised school code,"  
(MCL 380.1 to 380.1852) by adding section 1245.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1        SEC. 1245. (1) SUBJECT TO [SUBSECTIONS (4) AND (5),] BEGINNING JULY  
1,  
2        2012, THE BOARD OF A SCHOOL DISTRICT OR INTERMEDIATE SCHOOL  
3        DISTRICT OR BOARD OF DIRECTORS OF A PUBLIC SCHOOL ACADEMY THAT  
4        DIRECTLY EMPLOYS PERSONNEL TO PROVIDE CUSTODIAL, PUPIL  
5        TRANSPORTATION, OR FOOD SERVICES FOR THE SCHOOL DISTRICT,  
6        INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY SHALL OBTAIN  
7        COMPETITIVE BIDS FOR THE PROVISION OF THESE SERVICES AS PROVIDED  
8        FOR UNDER SUBSECTION (2). A SCHOOL DISTRICT, INTERMEDIATE SCHOOL  
9        DISTRICT, OR PUBLIC SCHOOL ACADEMY MAY CONTRACT WITH ANY PERSON OR

1 ENTITY TO PROVIDE THESE SERVICES, OR MAY HAVE THESE SERVICES  
2 PROVIDED ON AN EMPLOYMENT BASIS BY A GROUP OF ITS EMPLOYEES AFTER  
3 OBTAINING COMPETITIVE BIDS UNDER SUBSECTION (2).

4 (2) SUBJECT TO SUBSECTION (4), BEFORE ENTERING INTO OR  
5 RENEWING A CONTRACT OR COLLECTIVE BARGAINING AGREEMENT FOR A  
6 SERVICE DESCRIBED IN SUBSECTION (1), THE BOARD OF A SCHOOL DISTRICT  
7 OR INTERMEDIATE SCHOOL DISTRICT OR BOARD OF DIRECTORS OF A PUBLIC  
8 SCHOOL ACADEMY DESCRIBED IN SUBSECTION (1) SHALL OBTAIN COMPETITIVE  
9 BIDS ON THE PROVISION OF THE SERVICES. THE COMPETITIVE BIDDING  
10 PROCESS ADOPTED BY A SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT,  
11 OR PUBLIC SCHOOL ACADEMY MAY BE BASED ON THE PROCESS PRESCRIBED FOR  
12 COMPETITIVE BIDDING OF CONSTRUCTION CONTRACTS UNDER SECTION 1267  
13 AND SHALL REQUIRE THAT ALL BIDS RECEIVED WILL BE MADE AVAILABLE FOR  
14 INSPECTION ON THE WEBSITE OF THE SCHOOL DISTRICT, INTERMEDIATE  
15 SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY WITHIN 10 DAYS AFTER THE  
16 DEADLINE FOR SUBMISSION OF BIDS.

17 (3) WITHIN 30 DAYS AFTER ENTERING INTO OR RENEWING A CONTRACT  
18 OR COLLECTIVE BARGAINING AGREEMENT DESCRIBED IN SUBSECTION (1), THE  
19 BOARD OF A SCHOOL DISTRICT OR INTERMEDIATE SCHOOL DISTRICT OR BOARD  
20 OF DIRECTORS OF A PUBLIC SCHOOL ACADEMY SHALL INCLUDE ON ITS  
21 WEBSITE A POSTING THAT IDENTIFIES THE BID SELECTED OR OTHER ACTION  
22 TAKEN AFTER CONSIDERATION OF THE BIDS.

23 (4) THIS SECTION DOES NOT APPLY TO ANY OF THE FOLLOWING:

24 (A) A CONTRACT OF LESS THAN THE THRESHOLD AMOUNT PROVIDED  
25 UNDER SECTION 1267 FOR COMPETITIVE BIDDING TO BE REQUIRED UNDER  
26 THAT SECTION, AS ADJUSTED EACH YEAR UNDER THAT SECTION.

27 (B) THE PROVISION OF FOOD SERVICES, IF THE REVENUES THAT THE

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1 SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL  
2 ACADEMY RECEIVES FROM ITS FOOD SERVICE PROGRAM EXCEED THE COSTS OF  
3 OPERATION OF THE PROGRAM, AS DETERMINED FOR THE MOST RECENT SCHOOL  
4 FISCAL YEAR FOR WHICH THE DATA ARE AVAILABLE.

5 (C) AN ADMINISTRATIVE FUNCTION IN SUPPORT OF A SERVICE  
6 DESCRIBED IN SUBSECTION (1) IF THAT FUNCTION IS NORMALLY CARRIED  
7 OUT AT A DIFFERENT ADMINISTRATIVE LEVEL THAN THE ACTUAL PROVISION  
8 OF THE SERVICE, SUCH AS PLANNING, ROUTING, OR TRAINING.

[ (5) THIS SECTION DOES NOT APPLY TO A SCHOOL DISTRICT OR  
INTERMEDIATE SCHOOL DISTRICT THAT HAS A POSITIVE FUND BALANCE AS OF THE  
END OF THE IMMEDIATELY PRECEDING SCHOOL FISCAL YEAR IN AN AMOUNT AT LEAST  
EQUAL TO 10% OF THE SCHOOL DISTRICT'S OR INTERMEDIATE SCHOOL DISTRICT'S  
GENERAL OPERATING BUDGET FOR THE CURRENT SCHOOL FISCAL YEAR.

9 (6) A CONTRACTOR WHO PROVIDES FOOD SERVICES FOR A SCHOOL  
10 DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY IS  
11 ENCOURAGED TO PROVIDE THOSE SERVICES USING FRESH AND LOCAL FOODS IN  
12 A MANNER CONSISTENT WITH THE PURPOSES OF THE FARM-TO-SCHOOL  
13 PROCUREMENT ACT, 2008 PA 315, MCL 388.841 TO 388.844.