

# HOUSE BILL No. 5967

April 9, 2008, Introduced by Reps. Gonzales, Mayes, Byrum, Kathleen Law, Polidori, Angerer, Valentine, Hansen, Stahl, Cushingberry, Moolenaar, Spade, Condino, Walker and Meisner and referred to the Committee on Agriculture.

A bill to amend 1976 PA 451, entitled  
"The revised school code,"  
by amending sections 623a and 1274 (MCL 380.623a and 380.1274),  
section 623a as amended by 2007 PA 45 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) **OR (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~~  
7 **\$19,650.00** or more unless competitive bids are obtained for those  
8 items and the purchase of those items is approved by the

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

10 (3) An intermediate school district is not required to obtain  
11 competitive bids for items purchased through the cooperative bulk  
12 purchasing program operated by the department of management and  
13 budget under section 263(3) of the management and budget act, 1984  
14 PA 431, MCL 18.1263.

15 (4) **AN INTERMEDIATE SCHOOL DISTRICT IS NOT REQUIRED TO OBTAIN**  
16 **COMPETITIVE BIDS FOR PURCHASING FOOD UNLESS THE FOOD IS PURCHASED**  
17 **IN A SINGLE TRANSACTION COSTING \$100,000.00 OR MORE.**

18 (5) ~~(4)~~The intermediate school board of an intermediate  
19 school district may acquire by purchase, lease, or rental, with or  
20 without option to purchase, equipment necessary for the operation  
21 of intermediate school district programs, including, but not  
22 limited to, heating, water heating, and cooking equipment for  
23 school buildings, and may pay for the equipment from operating  
24 funds of the intermediate school district. Heating and cooking  
25 equipment may be purchased on a title retaining contract or other  
26 form of agreement creating a security interest and pledging in  
27 payment money in the general fund or funds received from state

1 school aid. The contracts may extend for not more than 10 years.

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

5 (2) Except as otherwise provided in subsection (3) **OR (4)**, a  
6 school district or public school academy shall not purchase an item  
7 or a group of items in a single transaction costing ~~\$17,932.00~~  
8 **\$19,650.00** or more unless competitive bids are obtained for those  
9 items and the purchase of those items is approved by the school  
10 board or board of directors. The maximum amount specified in this  
11 subsection shall be adjusted each year by multiplying the amount  
12 for the immediately preceding year by the percentage by which the  
13 average consumer price index for all items for the 12 months ending  
14 August 31 of the year in which the adjustment is made differs from  
15 that index's average for the 12 months ending on August 31 of the  
16 immediately preceding year and adding that product to the maximum  
17 amount that applied in the immediately preceding year, rounding to  
18 the nearest whole dollar.

19 (3) A school district or public school academy is not required  
20 to obtain competitive bids for items purchased through the  
21 cooperative bulk purchasing program operated by the department of  
22 management and budget under section 263(3) of the management and  
23 budget act, 1984 PA 431, MCL 18.1263.

24 **(4) A SCHOOL DISTRICT OR PUBLIC SCHOOL ACADEMY IS NOT REQUIRED**  
25 **TO OBTAIN COMPETITIVE BIDS FOR PURCHASING FOOD UNLESS THE FOOD IS**  
26 **PURCHASED IN A SINGLE TRANSACTION COSTING \$100,000.00 OR MORE.**

27 (5) ~~(4)~~—The board of a school district or local act school

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