



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536



Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 1074 (Substitute S-3 as reported)
Sponsor: Senator John Pappageorge
Committee: Reforms and Restructuring

CONTENT

Senate Bill 1074 (S-3) would amend the Revised School Code to prohibit school districts, intermediate school districts (ISDs), and public school academies from entering into or renewing contracts or collective bargaining agreements for custodial and food services without first obtaining competitive bids, beginning July 31, 2010. The schools could contract with any person or entity to provide the services, or have the services provided on an employment basis by a group of their employees, but only after obtaining competitive bids.

The competitive bidding requirements would apply to contracts worth \$20,000 or more, adjusted by inflation in future years. Competing bids would have to be posted on the school's website, with a link on the home page of the website.

The Department of Education would be required to develop and make available a model competitive bidding process, which could be based on the process for competitive bidding of construction contracts as prescribed in MCL 380.1267.

Proposed MCL 380.1245

FISCAL IMPACT

The fiscal impact on local districts, ISDs, and charter schools is indeterminate. Under current law, schools do have the option of competitively bidding for custodial and food services. Schools would have additional staff and materials costs associated with the required competitive bid process, if not already being used, related to developing requests for proposals (RFPs). Whether savings would occur from the mandatory competitive bidding is indeterminate.

Date Completed: 4-19-10

Fiscal Analyst: Kathryn Summers