

**THE REVISED SCHOOL CODE (EXCERPT)**  
**Act 451 of 1976**

**380.1274 Procurement of supplies, materials, and equipment; written policies; competitive bids; approval of purchase; adjustment of maximum amount; local policy giving preference to Michigan-based business; items purchased through cooperative bulk purchasing program; acquisition of equipment; payment; purchase of heating and cooking equipment; "Michigan-based business" defined.**

Sec. 1274.

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

(2) Except as otherwise provided in subsection (4) or (5), a school district or public school academy shall not purchase an item or a group of items in a single transaction costing \$20,959.00 or more unless competitive bids are obtained for those items and the purchase of those items is approved by the school board or board of directors. The maximum amount specified in this subsection shall be adjusted each year by multiplying the amount for the immediately preceding year by the percentage by which the average consumer price index for all items for the 12 months ending August 31 of the year in which the adjustment is made differs from that index's average for the 12 months ending on August 31 of the immediately preceding year and adding that product to the maximum amount that applied in the immediately preceding year, rounding to the nearest whole dollar.

(3) The board of a school district or board of directors of a public school academy may adopt and implement a local policy that gives a preference to a Michigan-based business in awarding a contract under this section. The policy may provide for a preference based on the status of the primary contractor as a Michigan-based business or based on the status of 1 or more subcontractors of the primary contractor as Michigan-based businesses, or both. A policy adopted under this subsection shall be consistent with federal statutes and regulations and shall not be applied to a contract that is to be paid with federal funds. Upon request by a school district or public school academy that has adopted and implemented a policy described in this subsection, the department of treasury shall disclose to that school district or public school academy verifying information as described in section 268(3) of the management and budget act, 1984 PA 431, MCL 18.1268. The adoption, implementation, or application of a policy described in this subsection, or a decision not to adopt, implement, or apply such a policy, does not create a cause of action.

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

(5) A school district or public school academy is not required to obtain competitive bids for purchasing food unless the food is purchased in a single transaction costing \$100,000.00 or more.

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

(7) As used in this section, "Michigan-based business" means a business that would qualify for a preference in a procurement contract with this state as determined under section 268 of the management and budget act, 1984 PA 431, MCL 18.1268.

**History:** 1976, Act 451, Imd. Eff. Jan. 13, 1977 ;-- Am. 1977, Act 43, Imd. Eff. June 29, 1977 ;-- Am. 1982, Act 489, Eff. Mar. 30, 1983 ;-- Am. 1983, Act 140, Imd. Eff. July 18, 1983 ;-- Am. 1990, Act 159, Imd. Eff. July 2, 1990 ;-- Am. 1994, Act 416, Eff. Mar. 30, 1995 ;-- Am. 2004, Act 588, Imd. Eff. Jan. 4, 2005 ;-- Am. 2008, Act 343, Imd. Eff. Dec. 23, 2008 ;-- Am. 2008, Act 540, Imd. Eff. Jan. 13, 2009

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