

Act No. 159
Public Acts of 1990
Approved by the Governor
July 1, 1990
Filed with the Secretary of State
July 2, 1990

**STATE OF MICHIGAN
85TH LEGISLATURE
REGULAR SESSION OF 1990**

Introduced by Reps. Randall and Trim

ENROLLED HOUSE BILL No. 5451

AN ACT to amend sections 623a, 1263, 1267, and 1274 of Act No. 451 of the Public Acts of 1976, entitled as amended "An act to provide a system of public instruction and elementary and secondary schools; to revise, consolidate, and classify the laws relating to elementary and secondary education; to provide for the classification, organization, regulation, and maintenance of schools, school districts, and intermediate school districts; to prescribe rights, powers, duties, and privileges of schools, school districts, and intermediate school districts; to provide for school elections and to prescribe powers and duties with respect thereto; to provide for the levy and collection of taxes; to provide for the borrowing of money and issuance of bonds and other evidences of indebtedness; to establish a fund and provide for expenditures from that fund; to provide for and prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to provide for licensure of boarding schools; to prescribe penalties; and to repeal certain acts and parts of acts," sections 623a and 1274 as amended by Act No. 140 of the Public Acts of 1983 and section 1267 as amended by Act No. 431 of the Public Acts of 1982, being sections 380.623a, 380.1263, 380.1267, and 380.1274 of the Michigan Compiled Laws.

The People of the State of Michigan enact:

Section 1. Sections 623a, 1263, 1267, and 1274 of Act No. 451 of the Public Acts of 1976, sections 623a and 1274 as amended by Act No. 140 of the Public Acts of 1983 and section 1267 as amended by Act No. 431 of the Public Acts of 1982, being sections 380.623a, 380.1263, 380.1267, and 380.1274 of the Michigan Compiled Laws, are amended to read as follows:

Sec. 623a. An intermediate school board shall adopt written policies governing the procurement of supplies, materials, and equipment. An intermediate school district shall not purchase an item or a group of items purchased in a single transaction costing \$12,500.00 or more unless competitive bids are obtained for those items and the purchase of those items is approved by the intermediate school board. The maximum amount specified in this section 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.

Sec. 1263. (1) The board of a school district shall not build a school upon a site without having prior title in fee to the site, a lease for not less than 99 years, or a lease for not less than 50 years from the United States government, or this state, or a political subdivision of this state.

(2) The board of a school district shall not build a frame school on a site for which it does not have a title in fee or a lease for 50 years without securing the privilege of removing the school.

(3) The board of a school district shall not design or build a school building to be used for instructional or noninstructional school purposes or design and implement the design for a school site unless the design or construction is in compliance with Act No. 306 of the Public Acts of 1937, being sections 388.851 to 388.855a of the Michigan Compiled Laws. The superintendent of public instruction has sole and exclusive jurisdiction over the review and approval of plans and specifications for the construction, reconstruction, or remodeling of school buildings used for instructional or noninstructional school purposes and of site plans for those school buildings.

Sec. 1267. (1) Before commencing construction of a new school building, or addition to or repair or renovation of an existing school building, except repair in emergency situations, the board of a school district other than a first class school district shall obtain competitive bids on all the material and labor required for the complete construction of a proposed new building or addition to or repair or renovation of an existing school building.

(2) The board shall advertise for the bids required under subsection (1) once each week for 2 successive weeks in a newspaper of general circulation in the area where the building or addition is to be constructed or where the repair or renovation of an existing building is to take place.

(3) The board shall require each bidder for a contract under this section to file with the board security in an amount not less than 1/20 of the amount of the bid conditioned to secure the school district from loss or damage by reason of the withdrawal of the bid or by the failure of the bidder to enter a contract for performance, if the bid is accepted by the board.

(4) All bids required under this section shall be opened and read aloud in a public bid meeting at the time and place advertised for the receipt of the bids. The board may reject any or all bids, and if all bids are rejected, shall readvertise in the manner required by this section.

(5) This section does not apply to buildings, renovations, or repairs costing less than \$12,500.00 or to repair work normally performed by school district employees. 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.

Sec. 1274. (1) The board of a school district shall adopt written policies governing the procurement of supplies, materials, and equipment. A school district shall not purchase an item or a group of items in a single transaction costing \$12,500.00 or more unless competitive bids are obtained for those items and the purchase of those items is approved by the school board. 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.

(2) The board of a school district or local act school district 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. 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.

This act is ordered to take immediate effect.

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Clerk of the House of Representatives.

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Secretary of the Senate.

Approved

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Governor.