

# HOUSE BILL No. 5451

February 7, 1990, Introduced by Reps. Randall and Trim and referred to the Committee on Education.

A bill to amend sections 1267 and 1274 of Act No. 451 of the Public Acts of 1976, entitled as amended  
"The school code of 1976,"

section 1267 as amended by Act No. 431 of the Public Acts of 1982 and section 1274 as amended by Act No. 140 of the Public Acts of 1983, being sections 380.1267 and 380.1274 of the Michigan Compiled Laws.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Section 1. Sections 1267 and 1274 of Act No. 451 of the  
2 Public Acts of 1976, section 1267 as amended by Act No. 431 of  
3 the Public Acts of 1982 and section 1274 as amended by Act  
4 No. 140 of the Public Acts of 1983, being sections 380.1267 and  
5 380.1274 of the Michigan Compiled Laws, are amended to read as  
6 follows:

1        Sec. 1267. (1) ~~The board of a school district, other than~~  
2 ~~first class school districts, prior to~~ BEFORE commencing  
3 construction of a new school building, or addition to or repair  
4 or renovation of an existing school building, except repair in  
5 emergency situations, THE BOARD OF A SCHOOL DISTRICT OTHER THAN A  
6 FIRST CLASS SCHOOL DISTRICT shall obtain competitive bids on all  
7 the material and labor required for the complete construction of  
8 a proposed new building or addition to or repair or renovation of  
9 an existing school building.

10        (2) The board shall advertise for the bids REQUIRED UNDER  
11 SUBSECTION (1) once each week for 2 successive weeks in a newspa-  
12 per of general circulation in the area where the building or  
13 addition is to be constructed or where the repair or renovation  
14 of an existing building is to take place.

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

21        (4) The board shall open and examine all bids REQUIRED UNDER  
22 THIS SECTION at a public meeting of the board, except THAT in A  
23 second class school ~~districts~~ DISTRICT the bids shall be opened  
24 and read aloud in a public bid meeting at the time and place  
25 advertised for the receipt of the bids. The board may reject any  
26 or all bids, and ~~shall readvertise, in the event of rejection~~

1 ~~of~~ IF all bids ARE REJECTED, SHALL READVERTISE in the manner  
2 required by this section.

3 (5) This section does not apply to buildings, ~~and~~ renova-  
4 tions, or repairs costing less than ~~\$10,000.00,~~ \$12,500.00 or  
5 to repair work normally performed by school district employees.  
6 THE MAXIMUM AMOUNT SPECIFIED IN THIS SUBSECTION SHALL BE ADJUSTED  
7 EACH YEAR BY MULTIPLYING THE AMOUNT FOR THE IMMEDIATELY PRECEDING  
8 YEAR BY THE PERCENTAGE BY WHICH THE AVERAGE CONSUMER PRICE INDEX  
9 FOR ALL ITEMS FOR THE 12 MONTHS ENDING AUGUST 31 OF THE YEAR IN  
10 WHICH THE ADJUSTMENT IS MADE DIFFERS FROM THAT INDEX'S AVERAGE  
11 FOR THE 12 MONTHS ENDING ON AUGUST 31 OF THE IMMEDIATELY PRECED-  
12 ING YEAR AND ADDING THAT PRODUCT TO THE MAXIMUM AMOUNT THAT  
13 APPLIED IN THE IMMEDIATELY PRECEDING YEAR, ROUNDING TO THE NEAR-  
14 EST WHOLE DOLLAR.

15 Sec. 1274. (1) The board of a school district shall adopt  
16 written policies governing the procurement of supplies, materi-  
17 als, and equipment. A school district shall not purchase an item  
18 or a group of items in a single transaction costing ~~\$10,000.00~~  
19 \$12,500.00 or more unless competitive bids are obtained for those  
20 items and the purchase of those items is approved by the school  
21 board. THE MAXIMUM AMOUNT SPECIFIED IN THIS SUBSECTION SHALL BE  
22 ADJUSTED EACH YEAR BY MULTIPLYING THE AMOUNT FOR THE IMMEDIATELY  
23 PRECEDING YEAR BY THE PERCENTAGE BY WHICH THE AVERAGE CONSUMER  
24 PRICE INDEX FOR ALL ITEMS FOR THE 12 MONTHS ENDING AUGUST 31 OF  
25 THE YEAR IN WHICH THE ADJUSTMENT IS MADE DIFFERS FROM THAT  
26 INDEX'S AVERAGE FOR THE 12 MONTHS ENDING ON AUGUST 31 OF THE  
27 IMMEDIATELY PRECEDING YEAR AND ADDING THAT PRODUCT TO THE MAXIMUM

1 AMOUNT THAT APPLIED IN THE IMMEDIATELY PRECEDING YEAR, ROUNDING  
2 TO THE NEAREST WHOLE DOLLAR.

3       (2) The board of a school district or local act school dis-  
4 trict may acquire by purchase, lease, or rental, with or without  
5 option to purchase, equipment necessary for the operation of the  
6 school program, including, BUT NOT LIMITED TO, heating, water  
7 heating, and cooking equipment for school buildings, and may pay  
8 for the equipment from operating funds of the district. Heating  
9 and cooking equipment may be purchased on A title retaining  
10 ~~contracts~~ CONTRACT or other form of agreement creating a secur-  
11 ity interest and pledging in payment money in the general fund or  
12 funds received from state school aid. The contracts may extend  
13 for not more than 10 years.