

# SENATE BILL No. 140

February 28, 1991, Introduced by Senators PRIDNIA, CRUCE, MC MANUS, VAN REGENMORTER, EMMONS, GAST, POSTHUMUS, N. SMITH, SCHWARZ, EHLERS, DI NELLO and referred to the Committee on Education.

A bill to amend sections 623a and 1274 of Act No. 451 of the Public Acts of 1976, entitled as amended

"The school code of 1976,"

as amended by Act No. 159 of the Public Acts of 1990, being sections 380.623a and 380.1274 of the Michigan Compiled Laws.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 623a and 1274 of Act No. 451 of the  
2 Public Acts of 1976, as amended by Act No. 159 of the Public Acts  
3 of 1990, being sections 380.623a and 380.1274 of the Michigan  
4 Compiled Laws, are amended to read as follows:

5 Sec. 623a. (1) An intermediate school board shall adopt  
6 written policies governing the procurement of supplies, materi-  
7 als, and equipment. An intermediate school district shall not  
8 purchase an item or a group of items purchased in a single  
9 transaction costing \$12,500.00 or more unless competitive bids

1 are obtained for those items and the purchase of those items is  
2 approved by the intermediate school board. The maximum amount  
3 specified in this section shall be adjusted each year by multi-  
4 plying the amount for the immediately preceding year by the per-  
5 centage by which the average consumer price index for all items  
6 for the 12 months ending August 31 of the year in which the  
7 adjustment is made differs from that index's average for the  
8 12 months ending on August 31 of the immediately preceding year  
9 and adding that product to the maximum amount that applied in the  
10 immediately preceding year, rounding to the nearest whole  
11 dollar.

12 (2) AN INTERMEDIATE SCHOOL BOARD SHALL NOT CONTRACT FOR  
13 HEALTH, DENTAL, VISION, DISABILITY, LIFE, OR OTHER INSURANCE COV-  
14 ERAGE UNLESS COMPETITIVE BIDS ARE OBTAINED ON THE COVERAGE. THE  
15 COMPETITIVE BIDS REQUIRED BY THIS SUBSECTION APPLY ONLY TO THE  
16 COST OF THE TOTAL COVERAGE. THE SCOPE OF HEALTH, DENTAL, VISION,  
17 DISABILITY, LIFE, AND OTHER INSURANCE COVERAGE PROVIDED BY THE  
18 INTERMEDIATE SCHOOL DISTRICT SHALL EACH CONTINUE TO BE NEGOTI-  
19 ATED, WHEN APPLICABLE, PURSUANT TO ACT NO. 336 OF THE PUBLIC ACTS  
20 OF 1947, BEING SECTIONS 423.201 TO 423.216 OF THE MICHIGAN  
21 COMPILED LAWS.

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

1 maximum amount specified in this subsection shall be adjusted  
2 each year by multiplying the amount for the immediately preceding  
3 year by the percentage by which the average consumer price index  
4 for all items for the 12 months ending August 31 of the year in  
5 which the adjustment is made differs from that index's average  
6 for the 12 months ending on August 31 of the immediately preced-  
7 ing year and adding that product to the maximum amount that  
8 applied in the immediately preceding year, rounding to the near-  
9 est whole dollar.

10 (2) The board of a school district or local act school dis-  
11 trict may acquire by purchase, lease, or rental, with or without  
12 option to purchase, equipment necessary for the operation of the  
13 school program, including, but not limited to, heating, water  
14 heating, and cooking equipment for school buildings, and may pay  
15 for the equipment from operating funds of the district. Heating  
16 and cooking equipment may be purchased on a title retaining con-  
17 tract or other form of agreement creating a security interest and  
18 pledging in payment money in the general fund or funds received  
19 from state school aid. The contracts may extend for not more  
20 than 10 years.

21 (3) THE BOARD OF A SCHOOL DISTRICT SHALL NOT CONTRACT FOR  
22 HEALTH, DENTAL, VISION, DISABILITY, LIFE, OR OTHER INSURANCE COV-  
23 ERAGE UNLESS COMPETITIVE BIDS ARE OBTAINED ON THE COVERAGE. THE  
24 COMPETITIVE BIDS REQUIRED BY THIS SUBSECTION APPLY ONLY TO THE  
25 COST OF THE TOTAL COVERAGE. THE SCOPE OF HEALTH, DENTAL, VISION,  
26 DISABILITY, LIFE, AND OTHER INSURANCE COVERAGE PROVIDED BY THE  
27 SCHOOL DISTRICT SHALL EACH CONTINUE TO BE NEGOTIATED, WHEN

1 APPLICABLE, PURSUANT TO ACT NO. 336 OF THE PUBLIC ACTS OF 1947,  
2 BEING SECTIONS 423.201 TO 423.216 OF THE MICHIGAN COMPILED LAWS.