



**House
Legislative
Analysis
Section**

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SMART BIDS: RAISE THRESHOLD

House Bill 4884

Sponsor: Rep. Vincent J. Porreca

Committee: Transportation

Complete to 9-13-93

A SUMMARY OF HOUSE BILL 4884 AS INTRODUCED 6-29-93

The Metropolitan Transportation Authorities Act provides for the establishment of regional transportation authorities in major metropolitan areas of the state for purposes of building and maintaining public transportation facilities, and specifies a competitive bidding process for purchases made by the authority known as Southeast Michigan Area Regional Transportation (or SMART, formerly the Southeastern Michigan Transportation Authority, or SEMTA, before it was reorganized in 1988). The act currently requires board approval for purchases or sales exceeding \$5,000 and requires the board to advertise for bids on such contracts. For sales or purchases of less than \$5,000 but more than \$1,000, price quotations must be obtained by the board from at least three qualified and responsible vendors before a contract may be approved, while contracts involving less than \$1,000 may be negotiated with or without competitive bids. The bill would raise the threshold for these amounts to \$25,000 (over which bids would have to be advertised for and a contract board-approved), less than \$25,000 but more than \$5,000 (at which bids would have to be obtained from at least three qualified vendors), and less than \$5,000 (at which contracts could be negotiated with or without competitive bids).

MCL 124.417

House Bill 4884 (9-13-93)