



# HOUSE BILL No. 5203

November 16, 1993, Introduced by Reps. Martin, Jaye, Gnodtke, Sikkema, Walberg, Middaugh, Lowe, Dalman, McBryde, Rivers, Bobier, Hammerstrom, DeLange, Jersevic, Dobb, Hill, Cropsey, Kaza, Horton, Brackenridge, Gernaat, Dolan, Voorhees and Crissman and referred to the Committee on House Oversight and Ethics.

A bill to provide for leasing, planning, constructing, repairing, remodeling, or demolishing land and facilities under the jurisdiction of the legislature or a chamber of the legislature; to regulate certain appropriations; and to provide for the powers and duties of certain state officers and agencies.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 1. As used in this act:

2       (a) "Department" means the department of management and  
3 budget.

4       (b) "Director" means the director of the department.

5       (c) "Facility" means a building or structure, along with the  
6 building's or structure's grounds, approaches, services, and  
7 appurtenances, owned by, leased by, or otherwise under the  
8 jurisdiction of the legislature or a chamber of the legislature  
9 such as office buildings, garages, warehouses, or physical plant

1 buildings including, but not limited to, the Farnum building and  
2 grounds and the Roosevelt building and grounds. Facility does  
3 not include either of the following:

4 (i) The state capitol building and grounds under the juris-  
5 diction of the Michigan capitol committee pursuant to chapter 7  
6 of the legislative council act, being sections 4.1701 to 4.1702  
7 of the Michigan Compiled Laws.

8 (ii) The Michigan library and historical center or other  
9 facilities under the jurisdiction of the legislative council.

10 (d) "Legislative leader" means:

11 (i) With respect to the senate, the senate majority leader.

12 (ii) With respect to the house of representatives, the  
13 speaker, or, if an agreement between the 2 major parties provid-  
14 ing for a co-speaker from each of those parties is in effect, the  
15 co-speakers.

16 (e) "Project" means a facility of 25,000 gross square feet  
17 or more that is being planned or constructed.

18 Sec. 2. A legislative leader shall not enter into a lease  
19 of a facility or space in a facility on behalf of his or her leg-  
20 islative chamber unless the lease is approved by that chamber on  
21 a record roll call vote. This section applies only if 1 or both  
22 of the following conditions are met:

23 (a) The facility or space consists of 25,000 gross square  
24 feet or more and the lease is for a term of more than 5 years.

25 (b) The total rent to be paid during the term of the lease  
26 is more than \$1,000,000.00.

1       Sec. 3. (1) A legislative leader shall not award a contract  
2 for the construction, alteration, repair, remodeling, or  
3 demolition of a facility or space in a facility on behalf of his  
4 or her legislative chamber unless the contract is let pursuant to  
5 a publicly disclosed bidding procedure. The procedure shall  
6 require a public advertisement of intention to award a contract  
7 for construction, alteration, repair, remodeling, or demolition  
8 of a facility.

9       (2) A legislative leader shall not award the contract or  
10 approve the award on behalf of his or her legislative chamber  
11 unless the award or approval is approved by that chamber on a  
12 record roll call vote.

13       (3) Subsections (1) and (2) do not apply to a cost plus con-  
14 struction contract. A legislative leader may enter into a cost  
15 plus construction contract for a facility or space in a facility  
16 on behalf of his or her respective chamber only if all of the  
17 following conditions are met:

18       (a) The contract cost is less than \$50,000.00.

19       (b) The contract is for emergency repair or construction  
20 caused by unforeseen circumstances.

21       (c) The repair or construction is necessary to protect life  
22 or property.

23       (d) The contract complies with the contract requirements of  
24 the department of civil rights.

25       Sec. 4. A legislative leader shall not enter a contract for  
26 construction, alteration, repair, remodeling, or demolition of a  
27 facility or space in a facility on behalf of his or her

1 legislative chamber unless the contract contains a clause  
2 requiring that of the persons working on the facility and  
3 employed by the contractor or a subcontractor of the contractor,  
4 not less than 50% have been residents of this state for 1 year or  
5 more before beginning work on the facility. However, the percen-  
6 tage shall be reduced or the clause omitted to the extent that  
7 residents are not available or to the extent necessary to comply  
8 with a federal law or regulation concerning federal funds used  
9 for the facility. A breach of the clause shall be considered a  
10 material breach of the contract. This section does not apply to  
11 employers who are signatory to collective bargaining agreements  
12 that allow for the portability of the employees on an interstate  
13 basis.

14       Sec. 5. (1) This section applies to a project that will be  
15 financed by legislative accounts, the general fund, or the state  
16 building authority created under Act No. 183 of the Public Acts  
17 of 1964, being sections 830.411 to 830.425 of the Michigan  
18 Compiled Laws.

19       (2) A legislative leader shall not enter into a professional  
20 services contract for planning a project on behalf of his or her  
21 legislative chamber unless a program statement is approved by  
22 that legislative chamber on a record roll call vote.

23       (3) A planning or preliminary study of a project shall be  
24 consistent with the purpose and scope as determined in the pro-  
25 gram statement.

1 (4) Money shall not be expended for schematics for a project  
2 unless the release is authorized by the appropriate legislative  
3 chamber by record roll call vote.

4 (5) An appropriation shall not be released for preparation  
5 of a preliminary planning document until the schematics for the  
6 project are approved by the appropriate legislative chamber by  
7 record roll call vote.

8 (6) An appropriation shall not be released for construction  
9 of a project unless the preliminary plans for the project are  
10 approved by the appropriate legislative chamber by record roll  
11 call vote.

12 (7) Appropriations made for studies and preliminary plans  
13 are not a commitment on the part of the legislature to appropri-  
14 ate funds for the completion of plans or construction of a  
15 project based on the studies or preliminary plans. The total  
16 authorized cost as set forth for a specific project for which  
17 only a partial appropriation is made is not a commitment on the  
18 part of the legislature to appropriate the difference between the  
19 amount appropriated and the amount authorized pursuant to a capi-  
20 tal outlay appropriation act during the next or subsequent fiscal  
21 years. The total appropriation shall be equal to the actual cost  
22 of providing a project designed and constructed to meet the pur-  
23 pose and scope of the project as currently recognized by the leg-  
24 islature and equal to or less than the authorized total cost, or  
25 the total authorized project cost less any funds received from  
26 private or federal sources, whichever is the smaller amount.

1       Sec. 6. (1) Except as otherwise expressly provided, an  
2 appropriation for the construction of a project includes, if  
3 applicable, costs for land; professional services, including  
4 engineering and inspection services; all construction trades  
5 work; utilities; site work; on-site supervision; equipment; fur-  
6 niture; and furnishings for a completed facility ready for use.  
7 The appropriation for a project authorized in a budget act shall  
8 be charged with any direct labor performed on that project by  
9 employees of the legislature. For each project for which the  
10 department is an agent, the department shall determine the need  
11 for a resident inspector to provide on-site supervision. The  
12 department may employ and assign the resident inspector with the  
13 inspector's salary to be paid from the project account, or from  
14 the account designated by the department. If the legislative  
15 leader of the appropriate legislative chamber approves, a quali-  
16 fied employee of the legislative chamber's regular staff may be  
17 the resident inspector with the inspector's salary to be paid  
18 from the legislative chamber's operating funds. The direct labor  
19 charges and corresponding credits shall be made pursuant to the  
20 systems and procedures prescribed by the department. Charges  
21 shall not be made to projects for any indirect or administrative  
22 overhead costs, except professional services by a legislative  
23 chamber if the professional services are approved by the depart-  
24 ment and if the department is the agent for the project and pro-  
25 vides professional services or administers and supervises the  
26 project. The director may establish separate accounts within an

1 appropriation to permit a legislative chamber to make  
2 expenditures for equipment, furniture, and furnishings.

3       (2) The director shall carry out this act and shall exercise  
4 the best professional judgment in the design and construction of  
5 all projects included within a budget act so that the design and  
6 construction meets the requirements of the projects in the most  
7 economical and efficient manner, with particular emphasis on  
8 future maintenance and operating cost.

9       (3) A contract to complete the construction of a project for  
10 which construction appropriations are made in an appropriation  
11 act shall be made upon the conditions that the total cost for the  
12 completion of each facility, ready for use, shall not exceed the  
13 total cost authorized for each respective project; that the obli-  
14 gations for payments for each project, during the fiscal years  
15 subject to this act, shall not exceed the amount appropriated for  
16 each specific facility by this and previous budget acts; and that  
17 the contract may be awarded before the beginning of the next  
18 fiscal year if the terms of the contract provide that payments  
19 shall not be made until after the first day of the following  
20 fiscal year, except in amounts previously appropriated.

21       Sec. 7. The release of allocations may be approved if the  
22 legislature either has specified a total authorized cost or has  
23 appropriated an amount sufficient to complete the designated  
24 project. The authorized cost of a project shall only be estab-  
25 lished by a majority vote of each legislative chamber.