



# SENATE BILL No. 772

July 21, 1993, Introduced by Senator EHLERS and referred  
to the Committee on Appropriations.

A bill to amend the title and sections 261, 264, 265, and  
267 of Act No. 431 of the Public Acts of 1984, entitled as  
amended

"The management and budget act,"

section 261 as amended by Act No. 46 of the Public Acts of 1993  
and section 264 as added by Act No. 504 of the Public Acts of  
1988, being sections 18.1261, 18.1264, 18.1265, and 18.1267 of  
the Michigan Compiled Laws; and to repeal certain parts of the  
act.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. The title and sections 261, 264, 265, and 267 of  
2 Act No. 431 of the Public Acts of 1984, section 261 as amended by  
3 Act No. 46 of the Public Acts of 1993 and section 264 as added by  
4 Act No. 504 of the Public Acts of 1988, being sections 18.1261,

1 18.1264, 18.1265, and 18.1267 of the Michigan Compiled Laws, are  
2 amended to read as follows:

3 TITLE

4 An act to prescribe the powers and duties of the department  
5 of management and budget; to define the authority and functions  
6 of its director and its organizational entities; to authorize the  
7 department to issue directives; to provide for the capital outlay  
8 program; to provide for the leasing, planning, constructing,  
9 maintaining, altering, renovating, demolishing, conveying of  
10 lands and facilities; to provide for centralized administrative  
11 services such as purchasing, payroll, record retention, data pro-  
12 cessing, and publishing; to provide for a system of internal  
13 accounting and administrative control for certain principal  
14 departments; to provide for an internal auditor in certain prin-  
15 cipal departments; to provide for certain powers and duties of  
16 certain state officers and agencies; to codify, revise, consoli-  
17 date, classify, and add to the powers, duties, and laws relative  
18 to PROCUREMENT, budgeting, accounting, and the regulating of  
19 appropriations; to provide for the implementation of certain con-  
20 stitutional provisions; to create funds and accounts; to make  
21 appropriations; to prescribe penalties; to rescind certain execu-  
22 tive reorganization orders; to prescribe penalties; and to repeal  
23 certain acts and parts of acts.

24 Sec. 261. (1) ~~The~~ EXCEPT AS OTHERWISE PROVIDED IN THE  
25 MICHIGAN PROCUREMENT CODE FOR GOODS AND SERVICES, THE department  
26 shall provide for the purchase of ~~—~~ AND the contracting for ~~—~~  
27 ~~and the providing of supplies, materials, services, insurance,~~

1 ~~utilities, third party financing, equipment, printing, and~~ all  
2 ~~other~~ items ~~as~~ needed by state agencies for which the legis-  
3 lature has not otherwise expressly provided. In all purchases  
4 made by the department, all other things being equal, preference  
5 shall be given to products manufactured or services offered by  
6 Michigan-based firms, if consistent with federal statutes. The  
7 department shall solicit competitive bids from the private sector  
8 whenever practicable to efficiently and effectively meet the  
9 state's needs. The department shall first determine that compet-  
10 itive solicitation of bids in the private sector is not appropri-  
11 ate before it shall use any other procurement method for an  
12 acquisition.

13 (2) The department shall make all discretionary decisions  
14 concerning the solicitation, award, amendment, cancellation, and  
15 appeal of state contracts.

16 (3) The department shall utilize competitive bidding for all  
17 purchases authorized pursuant to subsection (1) unless the  
18 department has determined that another procurement method is in  
19 the state's best interests.

20 (4) The department may delegate its procurement authority to  
21 other state agencies within dollar limitations and for designated  
22 types of procurements. The department may withdraw delegated  
23 authority upon a finding that a state agency did not comply with  
24 departmental procurement directives.

25 (5) The department may enter into lease purchases or  
26 installment purchases for periods not exceeding the anticipated

1 useful life of the items purchased unless otherwise prohibited by  
2 law.

3 (6) The department shall issue directives for the procure-  
4 ment, receipt, inspection, and storage of supplies, materials,  
5 and equipment, and for printing and services needed by state  
6 agencies. The department shall provide standard specifications  
7 and standards of performance applicable to purchases.

8 ~~(7) The department may enter into a cooperative purchasing~~  
9 ~~agreement with one or more other states or public entities for the~~  
10 ~~purchase of goods, including, but not limited to, recycled goods,~~  
11 ~~and services necessary for state programs.~~

12 (7) NOTWITHSTANDING ANY OTHER PROVISION IN THIS SECTION, THE  
13 PROCUREMENT OF GOODS AND SERVICES AS THOSE TERMS ARE DEFINED IN  
14 THE MICHIGAN PROCUREMENT CODE FOR GOODS AND SERVICES SHALL BE  
15 GOVERNED BY THE MICHIGAN PROCUREMENT CODE FOR GOODS AND SERVICES.

16 Sec. 264. ~~The~~ EXCEPT AS OTHERWISE PROVIDED IN THE  
17 MICHIGAN PROCUREMENT CODE FOR GOODS AND SERVICES, THE department  
18 may debar a vendor from participation in the bid process and from  
19 contract award upon notice and a finding that the vendor is not  
20 able to perform responsibly, or that the vendor, or an officer or  
21 an owner of a 25% or greater share of the vendor, has demon-  
22 strated a lack of integrity that could jeopardize the state's  
23 interest if the state were to contract with the vendor.

24 Sec. 265. ~~The~~ EXCEPT AS OTHERWISE PROVIDED IN THE  
25 MICHIGAN PROCUREMENT CODE FOR GOODS AND SERVICES, THE department  
26 shall perform the functions and necessary duties as the agency of

1 the state in the acquisition and distribution of federal surplus  
2 property pursuant to federal law.

3       Sec. 267. (1) ~~The~~ EXCEPT AS OTHERWISE PROVIDED IN THE  
4 MICHIGAN PROCUREMENT CODE FOR GOODS AND SERVICES, THE department  
5 shall issue directives to provide for the disclosure, transfer,  
6 and disposal of surplus, salvage, and scrap material of state  
7 agencies. ~~The~~ EXCEPT AS OTHERWISE PROVIDED IN THE MICHIGAN  
8 PROCUREMENT CODE FOR GOODS AND SERVICES, THE department may dis-  
9 pose of surplus and of salvage or scrap by donating or selling  
10 the property or equipment to a unit of local government or by  
11 selling the surplus, salvage, or scrap at auction.

12       (2) ~~The~~ EXCEPT AS OTHERWISE PROVIDED IN THE MICHIGAN PRO-  
13 CUREMENT CODE FOR GOODS AND SERVICES, THE department may pay nec-  
14 essary costs incurred in the conduct of the transfers or auctions  
15 of the property or equipment including the necessary warehousing  
16 and reconditioning costs from the proceeds of the auction or by  
17 assessing a handling fee for property or equipment being  
18 donated.

19       Section 2. Section 263 of Act No. 431 of the Public Acts of  
20 1984, being section 18.1263 of the Michigan Compiled Laws, is  
21 repealed.

22       Section 3. This amendatory act shall take effect January 1,  
23 1995.

24       Section 4. This amendatory act shall not take effect unless  
25 Senate Bill No. 771

26       of the 87th Legislature is enacted into law.