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BILL ANALYSIS

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House Bill 4722 (Substitute H-1 as reported by the Committee of the Whole)
Sponsor: Representative John Moolenaar
House Committee: Education
Senate Committee: Education

CONTENT

The bill would amend the Revised School Code to specify that school districts, intermediate school districts (ISDs), and public school academies would not be required to obtain competitive bids for items purchased through the cooperative bulk purchasing program (proposed by House Bill 4720). Also, the bill would increase the maximum cost of items that a school or district may purchase without obtaining a competitive bid. Currently, districts, ISDs, and public school academies are required to obtain competitive bids for items costing at least \$12,500; the bill would raise that amount to \$17,932.

The bill is tie-barred to House Bill 4720, which would require the creation and operation, on a fee basis, of a cooperative bulk purchasing program for school districts, public school academies, nonpublic schools, and ISDs.

MCL 380.632a & 380.1274

Legislative Analyst: Claire Layman

FISCAL IMPACT

State. There would be a cost to the Department of Management and Budget for setting up the cooperative bulk purchasing program. Some or all of these costs could be recouped, however, from the fees collected from the schools purchasing items through the cooperative program. Also, future administrative costs would be paid by the fees charged to the purchasers.

Local. Although local and intermediate school districts and public school academies would have to pay a fee to purchase items from the cooperative bulk purchasing program, these costs could be offset by the potential savings from purchasing items through this cooperative program. The exact amount of costs and/or offsetting savings is indeterminate.

Date Completed: 2-11-04

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