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BILL ANALYSIS

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House Bill 5875 (as reported without amendment)
Sponsor: Representative John Moolenaar
House Committee: Education
Senate Committee: Education

CONTENT

The bill would amend the Revised School Code to exempt school districts from competitive bidding requirements for items purchased through a cooperative bulk purchasing program for schools (proposed by House Bill 5913).

Under the Code, an intermediate school district (ISD), school district, or public school academy (PSA) may not purchase an item or a group of items in a single transaction costing $17,932 or more unless competitive bids are obtained and the purchase is approved by the intermediate school board, the school board, or the PSA's board of directors.

Under the bill, an ISD, a school district, or a PSA would not be required to obtain competitive bids for items purchased through the cooperative bulk purchasing program.

The bill is tie-barred to House Bill 5913, which would require the Department of Management and Budget to create and operate a cooperative bulk purchasing program for school districts, PSAs, nonpublic schools, and ISDs.

MCL 380.623a & 380.1274 Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bill would have no fiscal impact on State government.

Allowing local and intermediate school districts and public school academies to purchase items through a cooperative bulk purchasing program could result in savings to school districts and PSAs. By not having to obtain competitive bids for the items purchased through the cooperative bulk purchasing program, districts would be able to purchase items in bulk and realize the savings generally associated with bulk purchases. Many districts already participate in local cooperative purchasing programs; however, creating a statewide program could result in additional savings as the purchasing pool would be expanded. The amount of savings is indeterminate.

Date Completed: 12-3-04 Fiscal Analyst: Joe Carrasco

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.