

SUBSTITUTE FOR  
HOUSE BILL NO. 5376

A bill to amend 1976 PA 451, entitled  
"The revised school code,"  
by amending section 1267 (MCL 380.1267), as amended by 1995 PA  
289.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1       Sec. 1267. (1) Before commencing construction of a new  
2 school building, or addition to or repair or renovation of an  
3 existing school building, except repair in emergency situations,  
4 the board of a school district **or intermediate school district** or  
5 board of directors of a public school academy, shall obtain  
6 competitive bids on all the material and labor required for the  
7 complete construction of a proposed new building or addition to  
8 or repair or renovation of an existing school building.
- 9       (2) The board, **intermediate school board**, or board of  
10 directors shall advertise for the bids required under subsection

1 (1) ~~once each week for 2 successive weeks~~ by placing an  
2 advertisement for bids at least once in a newspaper of general  
3 circulation in the area where the building or addition is to be  
4 constructed or where the repair or renovation of an existing  
5 building is to take place and by posting an advertisement for  
6 bids for at least 2 weeks on the department of management and  
7 budget website on a page on the website maintained for this  
8 purpose or on a website maintained by a school organization and  
9 designated by the department of management and budget for this  
10 purpose. If the department of management and budget designates a  
11 school organization website for this purpose, the department of  
12 management and budget shall indicate this fact on its website and  
13 include a link on its website to the school organization  
14 website.

15 (3) The advertisement for bids shall do all of the  
16 following:

17 (a) Specify the date and time by which all bids must be  
18 received by the board, **intermediate school board**, or board of  
19 directors.

20 (b) State that the board, **intermediate school board**, or board  
21 of directors will not consider or accept a bid received by the  
22 board, **intermediate school board**, or board of directors after the  
23 date and time specified for bid submission.

24 (c) Identify the time, date, and place of a public meeting at  
25 which the board, **intermediate school board**, or board of directors  
26 or its designee will open and read aloud each bid received by the  
27 board, **intermediate school board**, or board of directors by the

1 date and time specified in subdivision (a).

2       (4) ~~—(3)—~~ The board, **intermediate school board**, or board of  
3 directors shall require each bidder for a contract under this  
4 section to file with the board, **intermediate school board**, or  
5 board of directors security in an amount not less than 1/20 of  
6 the amount of the bid conditioned to secure the school district  
7 from loss or damage by reason of the withdrawal of the bid or by  
8 the failure of the bidder to enter a contract for performance, if  
9 the bid is accepted by the board, **intermediate school board**, or  
10 board of directors.

11       (5) ~~—(4)—~~ The board, **intermediate school board**, or board of  
12 directors shall not open, consider, or accept a bid that the  
13 board, **intermediate school board**, or board of directors receives  
14 after the date and time specified for bid submission in the  
15 advertisement for bids described in subsection ~~—(2)—~~ (3).

16       (6) ~~—(5)—~~ At a public meeting identified in the advertisement  
17 for bids described in subsection ~~—(2)—~~ (3), the board,  
18 **intermediate school board**, or board of directors or its designee  
19 shall open and read aloud each bid that the board, **intermediate**  
20 **school board**, or board of directors received at or before the  
21 time and date for bid submission specified in the advertisement  
22 for bids. The board, **intermediate school board**, or board of  
23 directors may reject any or all bids, and if all bids are  
24 rejected, shall readvertise in the manner required by this  
25 section.

26       (7) ~~—(6)—~~ This section does not apply to buildings,  
27 renovations, or repairs costing less than ~~—\$12,500.00—~~ **\$17,932.00**

1 or to repair work normally performed by school district,  
2 **intermediate school board, or public school academy** employees.  
3 The maximum amount specified in this subsection shall be adjusted  
4 each year by multiplying the amount for the immediately preceding  
5 year by the percentage by which the average consumer price index  
6 for all items for the 12 months ending August 31 of the year in  
7 which the adjustment is made differs from that index's average  
8 for the 12 months ending on August 31 of the immediately  
9 preceding year and adding that product to the maximum amount that  
10 applied in the immediately preceding year, rounding to the  
11 nearest whole dollar.