

**SUBSTITUTE FOR
HOUSE BILL NO. 4722**

(As amended, February 11, 2004)

A bill to amend 1976 PA 451, entitled
"The revised school code,"
by amending sections 623a and 1274 (MCL 380.623a and 380.1274),
section 623a as amended by 1990 PA 159 and section 1274 as
amended by 1994 PA 416.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 623a. (1) An intermediate school board shall adopt
2 written policies governing the procurement of supplies,
3 materials, and equipment.
- 4 (2) ~~An~~ **Except as otherwise provided in subsection (3), an**
5 intermediate school district shall not purchase an item or a
6 group of items purchased in a single transaction costing
7 ~~<<\$12,500.00~~ **\$17,932.00>>** or more unless competitive bids are obtained
8 for those
9 items and the purchase of those items is approved by the
intermediate school board. The maximum amount specified in this

House Bill No. 4722 as amended February 11, 2004

1 section shall be adjusted each year by multiplying the amount for
2 the immediately preceding year by the percentage by which the
3 average consumer price index for all items for the 12 months
4 ending August 31 of the year in which the adjustment is made
5 differs from that index's average for the 12 months ending on
6 August 31 of the immediately preceding year and adding that
7 product to the maximum amount that applied in the immediately
8 preceding year, rounding to the nearest whole dollar.

9 **(3) An intermediate school district is not required to obtain**
10 **competitive bids for items purchased through the cooperative bulk**
11 **purchasing program operated by the department of management and**
12 **budget under section 263(3) of the management and budget act,**
13 **1984 PA 431, MCL 18.1263.**

14 Sec. 1274. (1) The board of a school district or board of
15 directors of a public school academy shall adopt written policies
16 governing the procurement of supplies, materials, and equipment.

17 **(2) ~~—A~~ Except as otherwise provided in subsection (3), a**
18 **school district or public school academy shall not purchase an**
19 **item or a group of items in a single transaction costing**
20 **<<~~\$12,500.00~~ \$17,932.00>>** or more unless competitive bids are obtained
21 for those
22 items and the purchase of those items is approved by the school
23 board or board of directors. The maximum amount specified in
24 this subsection shall be adjusted each year by multiplying the
25 amount for the immediately preceding year by the percentage by
26 which the average consumer price index for all items for the
27 12 months ending August 31 of the year in which the adjustment is
made differs from that index's average for the 12 months ending

1 on August 31 of the immediately preceding year and adding that
2 product to the maximum amount that applied in the immediately
3 preceding year, rounding to the nearest whole dollar.

4 **(3) A school district or public school academy is not**
5 **required to obtain competitive bids for items purchased through**
6 **the cooperative bulk purchasing program operated by the**
7 **department of management and budget under section 263(3) of the**
8 **management and budget act, 1984 PA 431, MCL 18.1263.**

9 **(4) —(2)—** The board of a school district or local act school
10 district or board of directors of a public school academy may
11 acquire by purchase, lease, or rental, with or without option to
12 purchase, equipment necessary for the operation of the school
13 program, including, but not limited to, heating, water heating,
14 and cooking equipment for school buildings, and may pay for the
15 equipment from operating funds of the district or public school
16 academy. Heating and cooking equipment may be purchased on a
17 title retaining contract or other form of agreement creating a
18 security interest and pledging in payment money in the general
19 fund or funds received from state school aid. The contracts may
20 extend for not more than 10 years.

21 Enacting section 1. This amendatory act does not take
22 effect unless House Bill No. 4720 of the 92nd Legislature is
23 enacted into law.