

HOUSE BILL No. 5081

September 25, 2003, Introduced by Reps. Meisner, Law, Farrah, Jamnick, Condino, McConico, Rivet, Vagnozzi, Plakas, Bieda, Paletko, Gielegem, Wojno, Woodward, Phillips, Minore, Gillard, Elkins, Gleason, Pappageorge, Sak, Dennis and O'Neil and referred to the Committee on Government Operations.

A bill to amend 1984 PA 431, entitled
"The management and budget act,"
by amending section 261 (MCL 18.1261), as amended by 1993 PA 46.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 261. (1) The department shall provide for the purchase
2 of, the contracting for, and the providing of supplies,
3 materials, services, insurance, utilities, third party financing,
4 equipment, printing, and all other items as needed by state
5 agencies for which the legislature has not otherwise expressly
6 provided. In all purchases made by the department, all other
7 things being equal, preference shall be given to products
8 manufactured or services offered by Michigan-based firms, if
9 consistent with federal statutes. The department shall solicit
10 competitive bids from the private sector whenever practicable to
11 efficiently and effectively meet the state's needs. The

1 department shall first determine that competitive solicitation of
2 bids in the private sector is not appropriate before it shall use
3 any other procurement method for an acquisition.

4 (2) The department shall make all discretionary decisions
5 concerning the solicitation, award, amendment, cancellation, and
6 appeal of state contracts.

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

11 (4) The department may delegate its procurement authority to
12 other state agencies within dollar limitations and for designated
13 types of procurements. The department may withdraw delegated
14 authority upon a finding that a state agency did not comply with
15 departmental procurement directives.

16 (5) The department may enter into lease purchases or
17 installment purchases for periods not exceeding the anticipated
18 useful life of the items purchased unless otherwise prohibited by
19 law.

20 (6) The department shall issue directives for the
21 procurement, receipt, inspection, and storage of supplies,
22 materials, and equipment, and for printing and services needed by
23 state agencies. The department shall provide standard
24 specifications and standards of performance applicable to
25 purchases.

26 (7) The department may enter into a cooperative purchasing
27 agreement with 1 or more other states or public entities for the

1 purchase of goods, including, but not limited to, recycled goods,
2 and services necessary for state programs.

3 (8) Beginning October 1, 2003, a state agency shall not
4 purchase any goods or services from an expatriated business. As
5 used in this subsection:

6 (a) "Expatriated business" means a corporation or an
7 affiliate of the corporation that is incorporated in a tax haven
8 country after December 31, 2001, but the United States is the
9 principal market for the public trading of the corporation's
10 stock, as determined by the director.

11 (b) "Tax haven country" means each of the following:
12 Barbados, Bermuda, British Virgin Islands, Cayman Islands,
13 Commonwealth of the Bahamas, Cyprus, Gibraltar, Isle of Man, the
14 Principality of Liechtenstein, the Principality of Monaco, and
15 the Republic of the Seychelles.