

**SUBSTITUTE FOR
HOUSE BILL NO. 4588**

A bill to amend 1984 PA 431, entitled
"The management and budget act,"
by amending section 263 (MCL 18.1263), as amended by 2004 PA 589.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 263. (1) The director may authorize a state agency to
2 purchase supplies and materials for the purpose of maintaining
3 inventories. The director shall place a dollar or quantity
4 limitation to insure inventories are maintained at acceptable
5 levels. Appropriation accounts shall be charged upon the basis of
6 actual usage. Any state agency so authorized shall conduct periodic
7 inventories as directed by the director of all supplies and
8 materials under their control. Obsolete, damaged, or spoiled
9 supplies and materials shall be charged to the proper appropriation
10 account during the fiscal year it is determined that obsolescence,

1 damage, or spoilage has occurred.

2 (2) The department shall provide assistance to any city,
3 village, county, township, school district, intermediate school
4 district, nonprofit hospital, institution of higher education, or
5 community or junior college for purchasing services on a fee basis.
6 Fees collected for the provision of that assistance are
7 appropriated for the additional expenses incurred.

8 (3) The department shall create and operate a cooperative bulk
9 purchasing program **CALLED THE MIDEAL PLAN for LOCAL UNITS OF**
10 **GOVERNMENT**, school districts, public school academies, nonpublic
11 schools, and intermediate school districts on a fee basis to reduce
12 the costs of purchasing goods and services. Fees collected under
13 this subsection shall not exceed the cost of purchasing goods and
14 services and reasonable administrative expenses, and are
15 appropriated for the expenses incurred. **THE DEPARTMENT SHALL**
16 **SOLICIT FEEDBACK FROM PARTICIPANTS IN THE MIDEAL PLAN REGARDING HOW**
17 **THE PLAN COULD BE IMPROVED AND SHALL CONSIDER THAT FEEDBACK WHEN**
18 **MAKING CHANGES TO THE MIDEAL PLAN. THE DEPARTMENT SHALL CREATE AND**
19 **MAINTAIN A WEBSITE THAT CONTAINS INFORMATION ON THE MIDEAL PLAN AND**
20 **DESCRIBES THE PRODUCTS AND SERVICES THAT ARE AVAILABLE THROUGH THE**
21 **MIDEAL PLAN. BEGINNING JANUARY 1, 2008, THE DEPARTMENT SHALL WAIVE**
22 **50% OF THE MEMBERSHIP FEE FOR THE MIDEAL PLAN TO A LOCAL UNIT OF**
23 **GOVERNMENT, A SCHOOL DISTRICT, OR AN INTERMEDIATE SCHOOL DISTRICT**
24 **THAT DOES BOTH OF THE FOLLOWING:**

25 (A) SUBMITS TO THE DEPARTMENT A COPY OF A RESOLUTION BY THE
26 LEGISLATIVE BODY OF THE LOCAL UNIT OF GOVERNMENT, SCHOOL DISTRICT,
27 OR INTERMEDIATE SCHOOL DISTRICT THAT COMMITS THAT LOCAL UNIT OF

1 GOVERNMENT, SCHOOL DISTRICT, OR INTERMEDIATE SCHOOL DISTRICT TO
2 USING THE MIDEAL PLAN FOR ALL PURCHASING UNLESS 1 OR MORE OF THE
3 FOLLOWING APPLY:

4 (i) THE LOCAL UNIT OF GOVERNMENT, SCHOOL DISTRICT, OR
5 INTERMEDIATE SCHOOL DISTRICT CAN GET THE GOODS OR SERVICES AT A
6 PRICE OF LESS THAN 105% OF THE MIDEAL PLAN PRICE.

7 (ii) THE LOCAL UNIT OF GOVERNMENT, SCHOOL DISTRICT, OR
8 INTERMEDIATE SCHOOL DISTRICT PURCHASES THE GOODS OR SERVICES FROM A
9 SUPPLIER LOCATED WITHIN THE BOUNDARY OR WITHIN 5 MILES OUTSIDE OF
10 THE BOUNDARY OF THE LOCAL UNIT OF GOVERNMENT, SCHOOL DISTRICT, OR
11 INTERMEDIATE SCHOOL DISTRICT.

12 (iii) THE LOCAL UNIT OF GOVERNMENT, SCHOOL DISTRICT, OR
13 INTERMEDIATE SCHOOL DISTRICT DECLARES AN EMERGENCY AND PURCHASES
14 THE GOODS OR SERVICES FOR THE IMMINENT PROTECTION OF PUBLIC HEALTH
15 OR SAFETY.

16 (iv) THE MIDEAL PLAN DOES NOT OFFER THE GOOD OR SERVICE.

17 (B) AGREES TO SUBMIT TO THE DEPARTMENT EACH YEAR A REPORT
18 DETAILING WHICH MIDEAL PURCHASES WERE CONSIDERED AND WHICH MIDEAL
19 PURCHASES WERE MADE.

20 (4) AS USED IN SUBSECTION (3), "LOCAL UNIT OF GOVERNMENT"
21 MEANS A COUNTY, CITY, VILLAGE, OR TOWNSHIP LOCATED IN THIS STATE.