

SUBSTITUTE FOR  
HOUSE BILL NO. 6366

A bill to amend 1976 PA 451, entitled  
"The revised school code,"  
by amending section 623a (MCL 380.623a), as amended by 2007 PA 45.

**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, materials,  
3 and equipment.

4           (2) Except as otherwise provided in subsection (3) **OR (4)**, an  
5 intermediate school district shall not purchase an item or a group  
6 of items purchased in a single transaction costing ~~\$19,211.00~~  
7 **\$20,102.00** or more unless competitive bids are obtained for those  
8 items and the purchase of those items is approved by the  
9 intermediate school board. The maximum amount specified in this

1 ~~section~~**SUBSECTION** shall be adjusted each year by multiplying the  
2 amount for the immediately preceding year by the percentage by  
3 which the average consumer price index for all items for the 12  
4 months 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 product  
7 to the maximum amount that applied in the immediately preceding  
8 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, 1984  
13 PA 431, MCL 18.1263.

14 **(4) AN INTERMEDIATE SCHOOL DISTRICT IS NOT REQUIRED TO OBTAIN**  
15 **COMPETITIVE BIDS FOR PURCHASING FOOD THAT IS PRODUCED OR PROCESSED**  
16 **IN THIS STATE UNLESS THE FOOD IS PURCHASED IN A SINGLE TRANSACTION**  
17 **COSTING \$100,000.00 OR MORE.**

18 (5) ~~(4)~~The intermediate school board of an intermediate  
19 school district may acquire by purchase, lease, or rental, with or  
20 without option to purchase, equipment necessary for the operation  
21 of intermediate school district programs, including, but not  
22 limited to, heating, water heating, and cooking equipment for  
23 school buildings, and may pay for the equipment from operating  
24 funds of the intermediate school district. Heating and cooking  
25 equipment may be purchased on a title retaining contract or other  
26 form of agreement creating a security interest and pledging in  
27 payment money in the general fund or funds received from state

1 school aid. The contracts may extend for not more than 10 years.