

# SENATE BILL No. 662

June 29, 2005, Introduced by Senator SANBORN and referred to the Committee on Economic Development, Small Business and Regulatory Reform.

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

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

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

8 (3) The department shall utilize competitive bidding for all  
9 purchases authorized ~~pursuant to subsection (1) unless the~~  
10 ~~department has determined that another procurement method is in the~~  
11 ~~state's best interests.~~ **UNDER THIS ACT UNLESS 1 OR MORE OF THE**  
12 **FOLLOWING APPLY:**

13 (A) **PROCUREMENT OF GOODS OR SERVICES IS NECESSARY FOR THE**  
14 **IMMINENT PROTECTION OF PUBLIC HEALTH OR SAFETY OR TO MITIGATE AN**  
15 **IMMINENT THREAT TO PUBLIC HEALTH OR SAFETY, AS DETERMINED BY THE**  
16 **DIRECTOR OR HIS OR HER DESIGNATED REPRESENTATIVE.**

17 (B) **PROCUREMENT OF GOODS OR SERVICES IS FOR EMERGENCY REPAIR**  
18 **OR CONSTRUCTION CAUSED BY UNFORESEEN CIRCUMSTANCES WHEN THE REPAIR**  
19 **OR CONSTRUCTION IS NECESSARY TO PROTECT LIFE OR PROPERTY.**

20 (C) **PROCUREMENT OF GOODS OR SERVICES IS IN RESPONSE TO A**  
21 **DECLARED STATE OF EMERGENCY OR STATE OF DISASTER UNDER THE**  
22 **EMERGENCY MANAGEMENT ACT, 1976 PA 390, MCL 30.401 TO 30.421.**

23 (D) **PROCUREMENT OF GOODS OR SERVICES IS IN RESPONSE TO A**  
24 **DECLARED STATE OF EMERGENCY UNDER 1945 PA 302, MCL 10.31 TO 10.33.**

25 (E) **PROCUREMENT OF GOODS OR SERVICES IS IN RESPONSE TO A**  
26 **DECLARED STATE OF ENERGY EMERGENCY UNDER 1982 PA 191, MCL 10.81 TO**  
27 **10.89.**

1 (F) PROCUREMENT OF GOODS OR SERVICES IS WITHIN A STATE  
2 AGENCY'S PURCHASING AUTHORITY DELEGATED UNDER SUBSECTION (4), THE  
3 VALUE OF THE PROCUREMENT IS LESS THAN \$25,000.00, AND THE  
4 DEPARTMENT HAS ESTABLISHED POLICIES OR PROCEDURES APPROVED BY THE  
5 DEPARTMENT TO ENSURE THAT GOODS OR SERVICES WITH A VALUE OF LESS  
6 THAN \$25,000.00 ARE PURCHASED BY THE STATE AGENCY AT FAIR AND  
7 REASONABLE PRICES.

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

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

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

22 (7) The department may enter into a cooperative purchasing  
23 agreement with 1 or more other states or public entities for the  
24 purchase of goods, including, but not limited to, recycled goods,  
25 and services necessary for state programs.