

SUBSTITUTE FOR
HOUSE BILL NO. 6365

A bill to amend 1976 PA 451, entitled
"The revised school code,"
by amending section 1274 (MCL 380.1274), as amended by 2004 PA 588.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1274. (1) The board of a school district or board of
2 directors of a public school academy shall adopt written policies
3 governing the procurement of supplies, materials, and equipment.
4 (2) Except as otherwise provided in subsection (3) **OR (4)**, a
5 school district or public school academy shall not purchase an item
6 or a group of items in a single transaction costing ~~\$17,932.00~~
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 school
9 board or board of directors. The maximum amount specified in this

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

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

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

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

1 received from state school aid. The contracts may extend for not
2 more than 10 years.