

Legislative Analysis



STATE COMPETITIVE BIDDING

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Senate Bill 662 (Substitute S-2)

Sponsor: Sen. Alan Sanborn

House Committee: Government Operations

Senate Committee: Economic Development, Small Business and Regulatory Reform

Complete to 12-13-06

A SUMMARY OF SENATE BILL 662 AS REPORTED FROM COMMITTEE 12-12-06

This bill would amend the Management and Budget Act (MCL 18.1261) to codify Executive Directive 2005-3, issued by the Governor in 2005. That directive requires all Department of Management and Budget (DMB) contracts for goods and services to be let on a competitive basis, with certain exceptions.

Under the bill, the DMB would be required to use competitive bidding for all authorized purchases with the following exceptions:

- Procurement of goods or services necessary for the imminent protection of public health or safety or to mitigate an imminent threat to public health or safety, as determined by the director or his or her designated representative.
- Procurement of goods or services for emergency repair or construction caused by unforeseen circumstances if necessary to protect life or property.
- Procurement of goods or services in response to a declared state of emergency or state of disaster under the Emergency Management Act, Public Act 390 of 1976.
- Procurement of goods or services in response to a declared state of emergency under Public Act 302 of 1945 (which establishes the emergency powers of the Governor).
- Procurement of goods or services in response to a declared state of energy emergency under Public Act 191 of 1982 (which allows for the declaration of an energy emergency).
- Procurement of goods or services within a state agency's purchasing authority delegated under the act according to established policies or procedures approved by the department to ensure that the goods and services are purchased at fair and reasonable prices. [In the Executive Directive, but not the bill, this exception is limited to the procurement of goods and services valued under \$25,000.]

FISCAL IMPACT:

The bill would have no fiscal impact. (As noted above, the bill appears essentially to codify current DMB practice, following Executive Directive 2005-3.)

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