



STATE OF MICHIGAN
DEPARTMENT OF EDUCATION
LANSING

GRETCHEN WHITMER
GOVERNOR

MICHAEL F. RICE, Ph.D.
STATE SUPERINTENDENT

MEMORANDUM

DATE: October 7, 2021

TO: Local and Intermediate School District Superintendents
Public School Academy Directors

FROM: Kyle L. Guerrant, Deputy Superintendent
Finance and operations KG

SUBJECT: FY 2021-22 Thresholds for Competitive Bids, Posting Travel Expenses,
and Value of Awards

The Michigan Department of Education (MDE) is providing updated information on statutory requirements that determine thresholds for competitive bids, travel expenses, and the value of awards.

Sections 623a, 1267, and 1274 (MCLs [380.623a](#), [380.1267](#), and [380.1274](#)) of Michigan's Revised School Code establish a base above which competitive bids must be obtained for school construction projects (including renovation, repair, or remodeling) and procurement of supplies, materials, and equipment. The law also provides for an increase in the base amount that corresponds with increases in the Consumer Price Index (CPI). The fiscal year 2021-22 base amount for section 1267 (pertaining to construction, renovation, repair, or remodeling) and for sections 623a and 1274 (pertaining to procurement of supplies, materials, and equipment) is \$26,046.

Our analysis shows the average CPI for the 12-month period ending August 31, 2020 was \$257.72. The similar average for the 12 months ending August 31, 2021 was \$265.45, a percentage increase of 3%. Therefore, the fiscal year 2020-21 base of \$25,288 for sections 623a, 1267, and 1274 items increases by \$758, to \$26,046 for fiscal year 2021-22.

Section 620(1) of Michigan's Revised School Code [MCL [380.620\(1\)](#)] establishes a base above which travel expenses paid with intermediate funds must be posted to the intermediate school district (ISD) website. Section 620(1) provides for an increase in the base amount that corresponds with increases in the CPI. For fiscal year 2021-2022, the base amount for travel increases by \$125, to \$4,263.

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There are changes to the limits on the value of awards given by an ISD to an employee, volunteer, or pupil, as well as the value above which an ISD administrator may not accept a gift from a vendor or potential vendor. Section 634 of the Revised School Code (MCL [380.634](#)) places an upper limit on the value of awards given by an ISD to an employee, volunteer, or pupil, as well as the value above which an ISD administrator may not accept a gift from a vendor or potential vendor. The previous fiscal year 2020-2021 cap of \$143 for awards now increases to \$148 and the cap of \$62 for gifts increases to \$64 due to the increase in the average CPI.

Please note that all thresholds and caps mentioned in this communication are effective as of October 7, 2021 and are in effect until the next communication revises them.

If you have any questions, please contact Phil Boone in MDE's Office of Financial Management, at 517-335-4059 or boonep2@michigan.gov.

	Section	Requirement	Base Amount	2005-06 Base	2020-2021 Thresholds	2021-2022 Thresholds
ISD Travel expenditures	620	Posting	\$ 3,000	\$ 3,093	\$4,138	\$4,263
ISD Procurement of supplies, materials, and equipment	623a	Comp. Bid	\$ 17,932	\$ 18,489	\$25,288	\$26,046
ISD Award value limit	634, 1814	Award Cap	\$ 100	\$ 105	\$143	\$148
ISD Gift value limit (monthly)	634	Gift Cap	\$ 44	\$ 46	\$62	\$64
School building construction, addition, renovation, or repair	1267	Comp. Bid	\$ 17,932	\$ 18,915	\$25,288	\$26,046
School District or PSA Procurement of supplies, materials, and equipment	1274	Comp. Bid	\$ 17,932	\$ 18,489	\$25,288	\$26,046

cc: Michigan Education Alliance
 Confederation of Michigan Tribal Education Director