



# SENATE BILL No. 1018

February 10 1994 Introduced by Senators DI NELLO CARL and  
WELBORN and referred to the Committee on Education

A bill to amend section 1274 of Act No 451 of the Public  
Acts of 1976, entitled as amended  
"The school code of 1976,"  
as amended by Act No 159 of the Public Acts of 1990, being sec-  
tion 380 1274 of the Michigan Compiled Laws and to add section  
1274b

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT

1 Section 1 Section 1274 of Act No 451 of the Public Acts  
2 of 1976, as amended by Act No 159 of the Public Acts of 1990,  
3 being section 380 1274 of the Michigan Compiled Laws, is amended  
4 and section 1274b is added to read as follows

5 Sec 1274 (1) ~~The~~ SUBJECT TO SECTION 1274B, THE board of  
6 a school district shall adopt written policies governing the  
7 procurement of supplies, materials, and equipment A school  
8 district shall not purchase an item or a group of items in a

1 single transaction costing \$12,500 00 or more unless competitive  
2 bids are obtained for those items and the purchase of those items  
3 is approved by the school board The maximum amount specified in  
4 this subsection shall be adjusted each year by multiplying the  
5 amount for the immediately preceding year by the percentage by  
6 which the average consumer price index for all items for the  
7 12 months ending August 31 of the year in which the adjustment is  
8 made differs from that index's average for the 12 months ending  
9 on August 31 of the immediately preceding year and adding that  
10 product to the maximum amount that applied in the immediately  
11 preceding year, rounding to the nearest whole dollar

12 (2) ~~The~~ SUBJECT TO SECTION 1274B, THE board of a school  
13 district or local act school district may acquire by purchase,  
14 lease, or rental, with or without option to purchase, equipment  
15 necessary for the operation of the school program, including, but  
16 not limited to, heating, water heating, and cooking equipment for  
17 school buildings, and may pay for the equipment from operating  
18 funds of the district Heating and cooking equipment may be pur-  
19 chased on a title retaining contract or other form of agreement  
20 creating a security interest and pledging in payment money in the  
21 general fund or funds received from state school aid The con-  
22 tracts may extend for not more than 10 years

23 SEC 1274B NOT LATER THAN JULY 1, 1994, THE BOARD OF A  
24 SCHOOL DISTRICT OR LOCAL ACT SCHOOL DISTRICT SHALL IMPLEMENT A  
25 DISTRICTWIDE INVENTORY CONTROL PROGRAM TO PRESERVE AND PROTECT  
26 SCHOOL DISTRICT PROPERTY SO THAT SCHOOL DISTRICT FUNDS CAN BE  
27 USED FOR EDUCATION PURPOSES RATHER THAN AVOIDABLE PROPERTY REPAIR

1 OR REPLACEMENT THE INVENTORY CONTROL PROGRAM SHALL INCLUDE AT  
2 LEAST ALL OF THE FOLLOWING FEATURES

3 (A) APPOINTMENT OF AN INVENTORY CONTROL OFFICER TO OVERSEE  
4 THE INVENTORY PROGRAM, MAINTAIN AN ORDERLY SYSTEM OF INVENTORY  
5 ACCOUNTING AND REPORTING, INVESTIGATE AND REPORT ON UNUSUAL  
6 INSTANCES OF PROPERTY LOSS OR DAMAGE, CONDUCT SCHEDULED AND  
7 UNSCHEDULED INSPECTIONS OF VARIOUS AREAS AND BUILDINGS IN THE  
8 DISTRICT TO ENSURE ADEQUATE INVENTORY SECURITY, AND PERFORM OTHER  
9 DUTIES RELATING TO INVENTORY CONTROL ON BEHALF OF THE SCHOOL DIS-  
10 TRICT SUPERINTENDENT

11 (B) LOCK AND KEY PROCEDURES TO ENSURE THAT LOCKED FACILITIES  
12 ARE SECURE AND THAT ACCESS IS LIMITED TO AUTHORIZED PERSONS

13 (C) SECURE PURCHASING PROCEDURES FOR ALL SCHOOL DISTRICT  
14 PURCHASES THE PROCEDURES SHALL BE CONSISTENT WITH SECTION 1274  
15 AND SHALL INCLUDE AT LEAST ALL OF THE FOLLOWING

16 (1) A REQUIREMENT THAT ALL PURCHASES BE AUTHORIZED BY AND  
17 PROCESSED THROUGH THE SCHOOL DISTRICT'S INVENTORY CONTROL OFFICER  
18 AND SUBMITTED TO THE SCHOOL DISTRICT'S BUSINESS MANAGER FOR  
19 APPROVAL OF PAYMENT

20 (11) FORMAL LETTERS OF AGREEMENT WITH VENDORS

21 (111) COMPARISON OF THE PRICES, DELIVERY SERVICES, AND OTHER  
22 COMPETITIVE FACTORS OF AVAILABLE VENDORS BEFORE MAKING A  
23 PURCHASE

24 (D) WORK ORDER PROCEDURES TO ENSURE THAT SCHOOL DISTRICT  
25 MAINTENANCE AND TRANSPORTATION EMPLOYEES ARE PROPERLY UTILIZED TO  
26 MAINTAIN A CLEAN, SAFE ENVIRONMENT FOR PUPILS AND TO ACCOMPLISH  
27 INVENTORY CONTROL

1           (E) REVIEW OF EXISTING VEHICLE AND MILEAGE RECORD-KEEPING  
2 SYSTEM TO ENSURE EFFECTIVENESS, AND REVISION OF THAT SYSTEM AS  
3 NECESSARY

4           (F) PROCEDURES AND FORMS FOR DOCUMENTING, INVESTIGATING, AND  
5 RESOLVING UNUSUAL OCCURRENCES SUCH AS DAMAGED EQUIPMENT, VANDAL-  
6 ISM, DISCREPANCIES IN PURCHASING AND INVENTORY DOCUMENTS, AND  
7 THEFT

8           (G) PROCEDURES FOR TAKING AND MAINTAINING AN INVENTORY OF  
9 ALL SCHOOL DISTRICT PROPERTY, INCLUDING, BUT NOT LIMITED TO,  
10 OFFICE FURNITURE, EQUIPMENT, AND SUPPLIES SCHOOL BUILDING FURNI-  
11 TURE, EQUIPMENT, AND SUPPLIES TEXTBOOKS, PAPER, AND OTHER EDUCA-  
12 TIONAL SUPPLIES CUSTODIAL EQUIPMENT AND SUPPLIES MAINTENANCE  
13 EQUIPMENT, TOOLS, PARTS, AND OTHER MAINTENANCE SUPPLIES AND  
14 TRANSPORTATION EQUIPMENT, TOOLS, PARTS, AND OTHER TRANSPORTATION  
15 SUPPLIES THESE PROCEDURES SHALL INCLUDE PROCEDURES FOR FURNI-  
16 TURE AND EQUIPMENT REPAIRS, RENOVATION, AND DISPOSAL WITH OVER-  
17 SIGHT BY THE INVENTORY CONTROL OFFICER, AND SHALL INCLUDE PROCE-  
18 DURES FOR COMPUTERIZING ALL COMPILED INVENTORY DATA AND UPDATING  
19 THAT DATA

20           (H) UNSCHEDULED INSPECTIONS OF SCHOOL DISTRICT BUILDINGS AND  
21 PROPERTY BY THE INVENTORY CONTROL OFFICER, IN COOPERATION WITH  
22 SECURITY PERSONNEL

23           (I) MONTHLY PROGRESS REPORTS ON INVENTORY CONTROL TO THE  
24 SUPERINTENDENT AND BOARD OF THE SCHOOL DISTRICT