

EXECUTIVE ORDER NO. 149

Providing for a State Materials
Inventory Management Program

I, Rudy Perpich, Governor of the State of Minnesota, by virtue of the authority vested in me by the Constitution and applicable statutes, do hereby issue this Executive Order:

WHEREAS, efficient management of the use of goods, supplies, and materials by state agencies is an important responsibility of the executive branch of state government; and

WHEREAS, it has been estimated that there is \$33 million of obsolete and surplus materials in the inventories of state agencies; and

WHEREAS, this amount of excess materials in state inventories constitutes a wasteful and intolerable situation; and

WHEREAS, special action is needed to eliminate the excess inventories and to ensure that such a situation does not arise in the future:

NOW, THEREFORE, I ORDER:

1. That the head of each state agency assume the direct and personal responsibility for the full involvement of his agency in the inventory management program prescribed by the Materials Management Division of the Department of Administration.
2. That the following occur regarding state consumable materials:
 - a. By September 1, 1977, each state agency will be implementing a consumable inventory management system in the manner prescribed by the Materials Management Division. Those agencies not yet involved in the state inventory program will make arrangements with Materials Management Division staff regarding personnel training and systems implementation.
 - b. After September 1, 1977, no agency will purchase new consumable materials until the agency head or his designee has determined that the agency has a realistic need for the materials and that they are not available elsewhere in state government. The Materials Management Division will coordinate inter-agency communication regarding the availability of surplus materials and will monitor their disposition.

c. By June 30, 1979, all identified obsolete consumables will have been sold or disposed of according to normal operating procedures.


3. That the following occur regarding state fixed asset materials:

- a. Effective at the close of the work day June 30, 1977, there is a freeze on the purchase of new fixed asset materials by state agencies. This freeze will be in effect until September 1, 1977, and will apply to all purchases of all new fixed assets except those of an emergency nature approved by the Commissioner of Administration.
- b. Between this date and the September 1 deadline, a full accounting of obsolete and surplus fixed asset materials will be accomplished and documented. Each agency will survey its entire stock of fixed assets by August 1 in the manner prescribed by the Materials Management Division. The Division will then review and organize the inventory data and by September 1 will have circulated a catalogue of surplus fixed assets.
- c. After September 1, justified purchases of new fixed assets will once again be permitted but only after the Materials Management Division has agreed that the desired materials are not available in the form of surplus stock.


- d. By June 30, 1979, all identified obsolete fixed asset materials will have been sold or disposed of according to normal procedure.
4. That there is established a Special Task Force on State Purchasing Practices, to be named at a later date, consisting of both state agency personnel and people from the private sector. The Task Force will do a complete review of state purchasing practices as they relate to effective management of the state's inventories of materials.
5. That all savings which result from the inventory management program prescribed by this executive order be documented and the budgeted expenditures cancelled, as follows:
 - a. Each agency head will submit reports to the Governor on February 1 and August 1, 1978, detailing the savings realized and projected from his inventory management program.
 - b. The Commissioners of Finance and Administration will monitor the savings being realized and the expenditures being cancelled.
 - c. Each agency will budget its inventory needs for the 1980-81 biennium on the basis of inventory management guidelines.

This order is effective immediately and shall remain in effect until rescinded by the proper authority.

IN TESTIMONY WHEREOF, I hereunto set my hand on this 30th day of June, 1977.


Rudy Perpich, Governor

Filed According to Law:


Joan Anderson Growe
Secretary of State