Purchasing and Property Control

#5 Plan cycle - 5
Plan cycle 2019/2020
7/1/19 - 6/30/20

Introduction

The mission of the Purchasing Office is to procure and secure all materials, supplies, and services for the University's operations and to provide said items and services of proper quantity and quality at the time and place needed. This is to be done at the lowest possible cost while establishing and maintaining a reputation for fairness and integrity. The Purchasing Office operates as a service function to the entire University.

Performance Objective 1   Perfect the purchasing process and continue to comply with the Louisiana Purchasing Procurement Rules and Regulations.

1 Assessment and Benchmark

Benchmark: 100% of training requests will be performed with the most current information.

1.1 Data

Fiscal Year	# of training session requests	# of requested training sessions performed	% of requested training sessions performed
2014	3	3	100%
2015	2	2	100%
2016	10	10	100%
2017	11	11	100%
2018	14	14	100%
2019	11	11	100%
2020	77	77	100%

1.1.1 Analysis of Data and Plan for Continuous Improvement

2016-2017:
Send campus-wide emails/letters to inform departments of important purchasing or property control changes. Keep the Purchasing and Property Control website up-to-date. Training methods will be published online and training content will be updated annually.

2017-2018:
Important Purchasing and Property Control information is communicated through campus-wide emails and posted on the Purchasing and Property Control websites. The websites are reviewed annually and are updated as needed.

2018-2019:
The Purchasing and Property Control websites are regularly reviewed and updated as needed to keep the campus informed of Purchasing and Property Control information. Individual training for Banner 9 was started in February as Banner 8 will not be supported by IT any longer. Purchasing is starting campus training for Banner 9 to groups of Requester users in July 2019.

2019-2020:
Purchasing offered campus training for Banner 9 to the campus. Purchasing invited 83 employees (the Banner system requestors) to the recommended training sessions -- 77 attended, 6 did not attend.

2 Assessment and Benchmark

Benchmark: ≤ 5 unauthorized purchases per year.

2.1 Data

Fiscal Year	# of unauthorized purchases
2014	3
2015	1
2016	0
2017	5
2018	2

2019	0
2020	1

2.1.1 Analysis of Data and Plan for Continuous Improvement

2016-2017:
Classify and record any/all unauthorized purchases on purchase orders. Send letter to the department reminding/reprimanding them to follow all purchasing procedures. Effective 2017-2018, the benchmark will be changed too.

2017-2018:
Purchasing has sole authority to place orders for the University, following the state procurement rules and regulations. Purchases made by a department without prior approval from the Purchasing Department are considered unauthorized purchases and are classified as such in the Banner system. If an unauthorized purchase is made, the individual and the individual's department is sent a letter counseling them and reminding them that the purchasing policy and procedures must be followed.

2018-2019:
No unauthorized purchases were classified for fiscal year 2019. Unauthorized purchases are purchases made by a department without prior approval from the Purchasing Department such as calling and placing orders without purchase orders.

2019-2020:
A Campus department placed an order with vendor prior to receiving the Purchasing Department's approval. When the department received the invoice, they entered a requisition for payment. Purchasing was unable to process the purchase order because it exceeded the state's allowed small purchase limit; it required competitive bidding. The department had to find other means of paying the invoice. The campus department and vendor were counseled on proper University purchasing procedures.

3 Assessment and Benchmark

Benchmark: ≥20 participants in procurement card for purchasing and revise processes for accountability in a timely manner.

3.1 Data

Fiscal Year	Total # of LaCarte Procurement Cards	# of P-Cards used for Travel	# of P-Cards used for Procurement
2014	23	NA	NA
2015	39	22	17
2016	40	23	17
2017	43	25	18
2018	40	23	17
2019	36	22	14
2020	39	24	15

3.1.1 Analysis of Data and Plan for Continuous Improvement

2016-2017:
Accept procurement card applications within policies established.

2017-2018:
Following both the state's LaCarte Procurement Card Policy and McNeese's Procurement Card Policy, procurement card applications will be accepted upon employee request and their supervisor's

approval. Both the state and MSU policies are being updated with required revisions and will be effective July 1, 2018. In the past year, a couple of cardholders were repeatedly late in turning in their reconciled p-card purchases and log. The revised McNeese State University policy will address this issue by setting a submission deadline and if repetitive tardiness of these reconciled documents persists, the cardholder could lose their cardholder privileges.

2018-2019:
Both the state's new LaCarte Procurement Card Policy and the McNeese card Policy were updated and enforced in July 2018. The 2018-2019 card compliance review results were favorable. The state encourages the use of P-cards. However, only those campus employees/departments who have a great need to make p-card purchases requests a p-card as there are many additional rules to follow. The Purchasing card is used by the campus for departmental purchases when needed.

2019-2020:
Following the State's LaCarte Procurement Card Policy and McNeese's Procurement Card Policy, procurement card applications are accepted upon employee request and their supervisor's approval. While p-card purchases are encouraged, some employees do not apply for p-cards as there are additional rules to follow to be in compliance with the State and University policies.

4 Assessment and Benchmark

Benchmark: 100% compliance with policies, plans, procedures, laws, and regulations through external audits performed by the State Legislative Auditor.

4.1 Data

Fiscal Year	% compliance	# of bids	# of purchase orders
2014	100%	112	4570
2015	100%	111	5048
2016	100%	128	5417
2017	100%	172	5336
2018	100%	172	5052
2019	100%	115	5441
2020	100%	113	5008

4.1.1 Analysis of Data and Plan for Continuous Improvement

2016-2017:
Keep departments informed of state contracts which may be used to ensure quality and quicker delivery. Monitor/review documents such as bid files, purchasing orders, and state contract purchase orders to comply with state regulations. Regularly review changes in state purchasing policy to ensure McNeese's continued adherence to these guidelines and forward information to campus.

2017-2018:
After the Procurement Specialist 3 retired last year, the Purchasing Department was restructured and the procurement personnel are excited to learn new tasks. In addition to learning new tasks, McNeese Purchasing department regularly reviews the state's purchasing policy and webpages to ensure continued compliance with the state's policies, procedures, laws, and regulations. Campus e-mail is used to keep McNeese departments informed of any new state purchasing updates or any new/revised state contracts. Bid files and purchase orders are monitored and reviewed to comply with state regulations.

2018-2019:
The 2018 reorganization of Purchasing transitioned smoothly in 2019. The Purchasing Department started having quarterly meetings. In these meetings, campus issues and needs are discussed as well as any new

state requirements. McNeese Purchasing department processed competitive bids and purchase orders in compliance with the state's policies, procedures, laws, and regulations. Campus e-mail is used to keep McNeese departments informed of any/all new state purchasing updates or new/revised state contracts.

2019-2020:
To ensure continued compliance, the State's policies, procedures, laws, and regulations are regularly reviewed by the Purchasing Department. Campus email and/or the McNeese portal is used to keep the campus informed of any/all new state purchasing updates or new/revised state contracts. We will continue to have the quarterly meetings within the Purchasing Department as it promotes teamwork and it seems to be beneficial in discussing purchasing updates and any campus issues.

Performance Objective 2 **Improve property/inventory process and continue to comply with Louisiana Property Assistance Agency.**

1 Assessment and Benchmark

Benchmark: 100% compliance with Louisiana's Property Assistance Agency.

1.1 Data

2016-2017:
The 2017 Legislative audit is in process.

2017-2018:
The results of the 2018 Legislative audit were favorable.

2018-2019:
The 2019 Legislative audit results were favorable.

2019-2020:
The 2020 Legislative audit is in progress.

1.1.1 Analysis of Data and Plan for Continuous Improvement

2016-2017:
Regularly review state property rules and regulations to ensure McNeese's continued adherence to meet these guidelines.

2017-2018:
Regularly review state property rules and regulations to ensure McNeese's continued adherence to meet the state guidelines.

2018-2019:
A "sensitive" item was reported as unlocated in the 2019 Inventory Certification and therefore McNeese received a Conditionally Approved Certification. A sensitive item is defined by the LA Property Assistance Agency as bullet proof vests and any asset capable of shooting a projectile. The Property Control Office had the McNeese department review their property policy and make any revisions to prevent a re-occurrence. The department's corrective action was to restrict access to the property storage area and they changed the lock to enhance those restrictions.

2019-2020:
The 2020 Inventory Certification was approved. State property rules and regulations are regularly reviewed to ensure McNeese's compliance with state guidelines.

1.2 Data

Fiscal Year	# of items moved	Dollar value

2018-2019	650	$1,302,419
2019-2020	414	$1,056,281
2020-2021		
2021-2022		

1.2.1 Analysis of Data and Plan for Continuous Improvement

2018-2019:
The department, whose inventory lists the movable equipment, is accountable for the movable property until the item(s) are picked up from their department. The Property Control Exhibit 1 form must be completed by the department's budget-unit head (who has the movable equipment listed on their inventory) and submitted to the Property Control office in order to have property removed from their department. These property pick up requests are then forwarded (from the Property Control office) to Custodial Services and are placed in line for pick up. The Property Control office must make a formal written request to the State to dispose of any item, regardless of its condition. The state's system shows the value of the movable equipment at acquisition costs, not the value at the time of surplus.

2019-2020:
The campus departments have been encouraged to review their inventory and complete the Property Control Exhibit 1 form to surplus any old/obsolete/broken equipment. This form is be submitted to the Property Control office. All faculty and staff are cautioned not to dispose of any inventory property without submitting this form to the Property Control office. This includes property on department's inventory listing as well as other property items costing less than $1,000.

2 Assessment and Benchmark

Benchmark: $0 amount difference in reconciling McNeese's property records to State's property records.

2.1 Data

Fiscal Year	Amount difference
2014	$0
2015	$0
2016	$0
2017	$0
2018	$0
2019	$0
2020	$0

2.1.1 Analysis of Data and Plan for Continuous Improvement

2016-2017:
Continue to reconcile the University's property control reports to those of the State.

2017-2018:
Continue to reconcile the University's property control reports to those of the State.

2018-2019:
The University's Property Control reports reconciled to those of the State.

2019-2020:
The University's property control reports and the State's property reports are continually reconciled.

3 Assessment and Benchmark

Benchmark: Locate at least 99% of University's departmental inventory.

3.1 Data

Fiscal Year	# of items in inventory	# of items not located	% of University's departmental inventory located
2014	7899	101	99.99%
2015	7986	67	99.99%
2016	8220	116	99.99%
2017	8250	103	99.99%
2018	7151	150	99.98%
2019	6820	144	99.98%
2020	6545	120	99.98%

3.1.1 Analysis of Data and Plan for Continuous Improvement

2016-2017:
Departments are to accurately perform inventory of fixed assets. If items are not located on first attempt, a letter will be sent to the department to perform a second inventory. If item is not located, representatives of Property Control will perform campus-wide inventory. Property Control will also perform random audits of inventory and require mandatory training session before departments receive inventory packets.

2017-2018:
The University departments must properly classify, safeguard, and dispose of its equipment to keep accurate inventory. Departments are required to accurately perform an annual physical inventory of fixed assets in their areas. If the department's items are not found during their first attempt, a letter is sent to the department (with Vice Presidents being copied) to perform a second inventory search. With the last couple of years showing an upward trend of unlocated items, property inventory training sessions were offered before the departments could receive their inventory packets. The training covered the importance of safeguarding the equipment, discussed the Property forms and where they can be located, the proper way of disposing of obsolete equipment, and reviewed the policies and procedures for fixed assets.

2018-2019:
The dollar amount of unlocated items were reduced by $20,000 from the previous year, but the year's unlocated amount was still high at $148,000. For continuous improvement, the Property office contacted the departments with a large amount of missing items to offer additional training or assistance. All departments were reminded to review their inventory and do a clean-up of any old obsolete, non-working equipment. If any items were identified in their department, the department was to complete the required property removal form to surplus the items to the state.

2019-2020:
The University departments are to accurately perform an annual physical inventory of movable equipment in their area. This years unlocated amount was significantly less than the previous 4 years -- the Property Control Coordinator and campus departments did a great job! It is important for the departments to continue to review their equipment and if any are found to be old/obsolete/broken and needs to be surplussed, the Property Control Exhibit 1 form is to be completed and submitted to the Property Control office. The Property Control office should be contacted if any property tags are missing from the equipment to order replacement tag(s).

Performance Objective 3 Administer the Professional Services Contract procedure.

1 Assessment and Benchmark

Benchmark: 100% of all professional services contracts costing $49,999 or less will follow McNeese procedures of using the requisition system.

1.1 Data

Fiscal Year	# of professional services contracts
2014	295
2015	310
2016	360
2017	255
2018	260
2019	245
2020	289

1.1.1 Analysis of Data and Plan for Continuous Improvement

2016-2017:
Continue to monitor and educate the revised professional services contract procedures.

2017-2018:
The contract form name was changed from Professional Services Contract to the General Services Contract. The General Services Contract and procedures were updated with the required revised statutes. The form was made to be an application/PDF for easier data input. Purchasing will continue to monitor and educate the campus on the usage of the General Services Contract.

2018-2019:
To be more easily accessible, the General Service Contract form and procedures were relocated from the Business Affairs web page to the Purchasing web page. There were no issues to report.

2019-2020:
Electronic signatures are now accepted on the General Service Contracts if the contract amount is within our delegated authority. Contracts above our delegated authority ($50,000 or above) still require original signatures to be on file per the state office.

2 Assessment and Benchmark

Benchmark: 100% of all completed professional service contracts (with costs between $2,000 and $49,999) for current fiscal year will receive a Performance Evaluation by the requesting department.

2.1 Data

Fiscal Year	# of contracts	# not returned	% of evaluations returned
2015	83	0	100%
2016	133	4	99.97%
2017	89	0	100%
2018	106	13	88%
2019	125	0	100%
2020	136		
2021			

2.1.1 Analysis of Data and Plan for Continuous Improvement

2016-2017:
The contracting department is to submit the performance evaluation form of all completed professional service contracts to Purchasing. If performance evaluations are not received in a timely manner, email reminders will be sent to departments notifying them of the required evaluation for their completed contract.

2017-2018:
To be more easily accessible, the performance evaluation form will be uploaded on the same webpage as the General Service Contract and procedures. At end of each fiscal year, the departments with completed contracts between $2,000 and $49,999 receive reminders from Purchasing to complete and submit the required performance evaluation form and return to Purchasing for filing. For the purpose of this assessment, the previous year's results are entered because they are received/compiled after the due date of the current report.

2018-2019:
Upon review of the completed 2018 performance evaluations, 13 contract evaluations were not received. It is a state requirement to have these on file so additional e-mails have been sent to the departments, and they will be filed upon receipt which will be after the due date of this current report. Fiscal Year 2019 performance evaluations will be received/compiled and shown in next year's report.

2019-2020:
At the end of the fiscal year, the departments with completed contracts with amounts between $2,000 and $49,999 receive reminders from Purchasing to complete and submit the required performance evaluation form(s) to the Purchasing Department for filing. This is a state requirement. For the purpose of this assessment, the current year number of contracts are shown and the previous year's results.