Purchasing and Property Control

#7 Plan cycle - 7
Plan cycle 2021/2022
7/1/21 - 6/30/22

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%
2021	5	5	100%
2022	3	3	100%

1.1.1 Analysis of Data and Plan for Continuous Improvement

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.

2020-2021:
Of the 5 requested trainings, 4 were for new hired employees and 1 was for an employee who requested a second training. Purchasing is going to offer campus refresher training sessions this year.

2021-2022:
Two (2) new employees were trained as requestors for the Banner system. Purchasing also offered a campus refresher Banner training session and had 19 attendees.

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
2021	1
2022	2

2.1.1 Analysis of Data and Plan for Continuous Improvement

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.

2020-2021:
One Unauthorized purchase was reported for 2020-21. The employee wanted a reimbursement for a purchase she made without getting prior approval from Purchasing. The employee and employee's department were counseled on the proper University purchasing procedures.

2021-2022:
One employee had two (2) unauthorized purchases for printers. The employee received insurance funds for hurricane damaged equipment and thought he could make the purchases without going through Purchasing. He failed to get approval from Purchasing and from Information Technology (IT). Printers and computers must be reviewed/approved by the IT department to be sure they are supported. The employee was counseled on the 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	—	—
2015	39	22	17
2016	40	23	17
2017	43	25	18
2018	40	23	17
2019	36	22	14
2020	39	24	15

| 2021 | 28 | 14 | 14 |
| 2022 | 28 | 16 | 12 |

3.1.1 Analysis of Data and Plan for Continuous Improvement

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.

2020-2021:
The number of LaCarte Procurement Cards were lower this year because of the many disasters that affected travel and campus operations.

2021-2022:
While the state encourages the use of P-cards, 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 Department has a P-card which can be used for the departments who do not have a P-card. The Purchasing P-card was used for 837 purchases for Fiscal Year 22.

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
2021	100%	77	3266
2022	100%	100	4971

4.1.1 Analysis of Data and Plan for Continuous Improvement

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.

2020-2021:
The Purchasing information on the campus portal has been down. When the campus portal is operational and available, the updated Purchasing information will be uploaded.

2021-2022:
The Purchasing webpage information has been updated and is in the process of being uploaded to our page. The Purchasing Department's quarterly meetings had stopped because of COVID and the hurricanes but will start-up again in the new fiscal year as they were found to be beneficial in promoting teamwork and 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

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 was favorable.

2020-2021:
The 2021 Legislative audit was extended because of the Hurricane damage.

2021-2022:
The 2022 Legislative audit was extended because of the extensive Hurricane damage.

1.1.1 Analysis of Data and Plan for Continuous Improvement

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

2020-2021:
The annual Inventory Certification for the University is due every December. However, because of the extensive damage of the University from the Hurricanes, the Louisiana Property Assistance Agency (LPAA) granted the University an extension to submit FY21 Certification in June 2021. The University received a "conditionally approved" certification due to the high number of discrepancies. The Inventory Certification for Fiscal Year 2022 is still due in December 2021, only 6 months later.

2021-2022:
The December 2021 Inventory Certification was approved and our next annual Inventory Certification is due by December 5, 2022.

1.2 Data

Fiscal Year	# of items moved	Dollar value
2018-2019	650	$1,302,419
2019-2020	414	$1,056,281
2020-2021	340	$916,360.84
2021-2022	216	$398,131.13

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.

2020-2021:
These FY21 numbers do not include the damaged equipment from the hurricanes in August and October 2020; they are still listed on our inventory. The Property office is diligently working on updating and processing the required paperwork for the damaged, lost, and/or stolen equipment.

2021-2022:

The FY22 numbers for deletions/pickup still do not include many of the damaged equipment from the hurricanes in 2020; they are still listed on our inventory. The Property office is having difficulty in scheduling a pickup from the state. The Property office has tagged 1,076 new items for fiscal year 2022 for a total of $3,455,056.

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
2021	$0
2022	$0

2.1.1 Analysis of Data and Plan for Continuous Improvement

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.

2020-2021:
Fiscal Year 2021 close-out was reconciled.

2021-2022:
The University's property control reports and the State's property reports are continually reconciled. The Banner Cloud migration was implemented in the middle of fiscal year close out which made the process more difficult but the two systems 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	72	99.99%
2017	8250	39	99.99%
2018	7151	87	99.98%
2019	6820	39	99.99%
2020	6545	25	99.99%
2021	6636	363	99.94%

| 2022 | 6902 | 129 | 99.98% |

3.1.1 Analysis of Data and Plan for Continuous Improvement

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).

2020-2021:
With the extensive damage to the campus buildings because of the hurricanes, the physical inventories for Fiscal Year 21 were very difficult to complete. Many items have been damaged, disposed of, relocated, and even some have been reported stolen. The Fiscal Year 22 physical inventory is to be completed and submitted in December 2021, which should be a more accurate inventory with the buildings being re-opened and employees being back on campus.

2021-2022:
Equipment is still being located/relocated across campus because of the Hurricane disruption to the University. The December 2021 inventory showed 129 unlocated items for an amount of $300,544.86.

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
2021	132
2022	205

1.1.1 Analysis of Data and Plan for Continuous Improvement

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.

2020-2021:

The number of contracts processed for the Fiscal Year 2021 was much lower than previous years due to the many disasters the University faced and campus closures.

2021-2022:

Many contracts are being submitted to Purchasing & Payroll after the service has been provided. Language is being added to the Purchasing webpage to require an Explanation letter from the campus department if the contract is submitted after contract service has started. The department could be made responsible for the payment of service if the reason is not justifiable.

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	103	0	100%
2021	49	0	100%
2022	111		

2.1.1 Analysis of Data and Plan for Continuous Improvement

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.

2020-2021:
Purchasing received 100% of the Performance Evaluations for Fiscal Year 2020 and is starting to receive the FY2021 Evaluations. The number of contracts requiring the Evaluations for Year 2021 is only 49, a much lower number than previous years because of the campus closures due to COVID and the Hurricanes of 2020.

2021-2022:
The Performance Evaluation form for each Professional Service contract is to be completed by the campus department within 60 days of completion of service and kept on file in Purchasing. Purchasing received 100% of the Performance Evaluations for the Fiscal Year 21 contracts.