

Ohlone Community College District

Business Services: Purchasing and Receiving

Program Review

1. Program Description and Scope

The Purchasing/Receiving department serves the entire District for all of its acquisition needs. The Purchasing department ensures the purchases of material and services at the most advantageous pricing by following the District policies for comparative shopping. By working with the departments on campus to obtain multiple quotes, the District often realizes significant savings. Purchases for materials and services over the State mandated bid thresholds are processed by formal bidding procedures as outlined in the State procedures.

The Purchasing department proactively seeks vendor competition by maintaining a vendor database of interested vendors, using the Blue Book of Building and Construction, and by searching for prospective vendors on the Internet.

The Purchasing department is a key player in the development of contracts with vendors for the Bond Projects. The Director assists with negotiations of the initial contracts and works with vendors on addendums and amendments to existing contracts. The Director also attends Board meetings, as required, for contract approvals.

A “just in time” ordering system for office supplies is arranged by Purchasing so that departments can order their office supplies on-line and have materials delivered to their offices the next day.

The Purchasing department manages the surplus of District materials that are no longer needed, attempts to find ways to recycle the surplus whenever possible and, when viable, works with the departments to auction or to sell surplus according to State guidelines.

Hazardous materials are used on campus in various departments for student learning and by facilities personnel. The Purchasing department, in conjunction with the Facilities department, is responsible for ensuring that the District is in compliance with State, Federal, and local regulations relating to the use of hazardous materials and the disposal of hazardous waste. The Purchasing department is also responsible for management of the required hazardous materials and hazardous waste document files.

Archiving District records is processed through the Purchasing and Receiving departments. Documents that are no longer needed in the department offices are sent to a holding warehouse for the required period of time determined by District Board Policy.

The District Buyer, working with individual departments and/or the travel agency, processes travel requisitions, makes travel arrangements, provides payment information to hotels and processes purchase orders when required for conference registrations.

The Purchasing office maintains files of District contracts/agreements relating to purchases, bids, and services. The Director of Purchasing, Contracts, and Auxiliary Services reviews and signs contracts on behalf of the District and negotiates various contracts with vendors. The Director also works with legal counsel when necessary to ensure that the District is legally protected.

The Director maintains the District Cal Card program. The Director monitors card usage and verifies compliance with program procedures.

The Purchasing staff also answer phone and email inquiries related to all areas of Purchasing.

The Receiving department operates a central receiving facility for items purchased by the College. Listed below are the main Receiving department functions:

- Maintain the cleanliness and security of the warehouse
- Load and unload shipments
- Check incoming stock for conformity to purchase orders
- Operate a forklift
- Deliver equipment and other items on campus
- Answer phone calls and emails
- Provide information to campus personnel regarding purchased items and warehouse storage

2. Relationship to College Mission and Goals

- **Develop strategies to increase the proportion of full-time students, including learning communities, cohort groups, enhanced facilities, and improved course availability.**

The Purchasing department works closely with the Facilities department and the Bond office to enhance the facilities at the Fremont campus and for the construction of the new Ohlone College Newark Center for Health Sciences and Technology. These new and enhanced facilities will improve course availability and increase the proportion of full-time students.

- **Promote and maintain a clean, safe, and healthy environment through continuous engagement of students and college personnel in campus preparedness, wellness, beautification, universal design, and environmental sustainability.**

The Purchasing department works closely with vendors and Ohlone departments to encourage the use of recycled products on campus. The Purchasing department and the Facilities department also work together to ensure a safe and healthy environment by following proper hazardous materials and waste procedures. Both the Buyer and the Director are members of the SEMS emergency preparedness teams and the Buyer is an active participant on the campus safety committee.

- **Increase public and private funds for educational programs, equipment, and facilities through entrepreneurial activities, grants, and the college foundation.**

By using strong comparative shopping procedures, the Purchasing department is able to save money not only in the general fund, but also for purchases relating to grants and other activities. These savings stretch the funds available for other materials and/or services that may be needed.

3. Student Learning Outcomes

Although the Purchasing department is not directly involved in the instruction process, it does indirectly support the learning function by having the appropriate materials available for use in all classrooms and labs so that students can succeed in their studies. By working closely with the Bond and Facilities departments, the bids, contracts and/or purchase orders

are processed to provide students with safe and updated facilities, classrooms, and equipment that is conducive to learning.

Outcome #1

During our “New Ways to Work” project in May 2004, the Purchasing department, along with the Business Services department as a whole, looked at the ways we were working. We evaluated processes and time spent on them and discussed ways we could improve.

With regard to Purchasing, a major concern was the time spent by the District Buyer on various processes. The District Buyer spends over 50% of her time entering purchase requisitions and approximately 10% of her time copying purchase orders to distribute. We also determined that her time needed to be directed to the increased workloads relating to bid processes and construction projects. With Bond projects, the workload has, and will continue to increase tremendously.

A review of purchase orders processed over the last three years also indicates the need for a redistribution of duties for the Buyer.

Statistical information related to Purchasing:

Fiscal Year	# of PO's Processed	\$ Value of PO's Processed
2000-2001	1,284	\$5,676,479.29
2001-2002	1,451	\$7,135,936.08
2002-2003	1,431	\$16,156,692.18
2003-2004	1,450	\$19,055,735.68

Over the past three fiscal years, the monthly average of purchase orders processed was 121. The quantity did not vary much over the three years, however the dollar value increased significantly. This increase in dollars is attributed to the construction and Group II costs for the new Child Development Center, as well as the beginning of the Bond related contracts, which included several bid processes and high-cost contracts. These processes increased the workload for Purchasing significantly, however no additional personnel have been added.

Since no staff will be added in the foreseeable future, processes must be changed to allow more time to dedicate to larger and more complicated projects. Business Services has begun the process to implement on-line requisitions. On-line requisitions will allow individual departments on campus to enter purchase requisitions from their desktops. Currently, they are handwriting or typing requisitions and sending them to purchasing. The Buyer then inputs the data into Colleague and processes purchase orders to send to vendors. On-line requisitioning will reduce this process by more than two-thirds the time that the buyer now spends on requisitions. It will also decrease the error rate caused by misreading someone's handwriting. The new system will speed up the process since budget shortage problems will not delay the process. The initial requisition will not be accepted by the system if there are not sufficient funds available. Since the budget manager or his/her assistant will be aware of this deficit from step one, problems can be avoided or solved more rapidly.

To implement this on-line requisition system, Business Services staff, along with I.T. staff, are working on setting up the system, including authorization processes, ironing out the kinks that always seem to come up with new implementations, and developing procedures and training tools that will be needed.

On line requisitioning is planned to be available for all departments prior to the Fall semester.

Outcome #2

With all of the bond related projects, the Purchasing department must dedicate more time to processes involved with contracts and purchasing relating to bond projects, and the meetings involved in these areas.

Even though Turner Construction will assist with bidding, the Purchasing/Contracts Department must oversee the processes to verify compliance with State regulations. This department will be working closely with Turner in these areas over the next few years.

The Director and Buyer, using schedule information from the Bond Office, will plan the purchasing department workloads. The Purchasing department will notify the campus community when the heavy workloads will occur and will work with the Ohlone Departments to assure that their department needs are met even when delays may be necessary.

Outcome #3

Our News Ways to Work project also taught us that if we are to keep up with ever-increasing workloads, we must search for “Sacred Cows”. “Sacred Cows” are processes that are followed or work that is done just because they have always been done that way, not because work needs to be done in that manner or even at all.

This has been an evolving process and we are continuing to evaluate the work that is done and why it is done in the manner it is. Every procedure that can be shortened or eliminated will free up more time to devote to areas that need it.

The purchasing department will also research and piggyback on other bids whenever available and cost effective. This will save the department time and the District money.

Outcome #4

Many of the forms/handouts used in Purchasing are outdated and need to be updated. Forms are not readily available when people need them.

Purchasing staff is reviewing and updating forms as time permits and are working with Financial Service to have a website available for the download of forms.

Outcome #5

During the brainstorming of our New Ways to Work project, we found that training was very near the top of the list of needs for the department. Training was needed internally for Business Services staff and members of the campus community as a whole needed training for Business Services procedures in many areas.

The Interim District Buyer assumed the permanent position on April 1, 2005. She has been receiving training since December when she became interim buyer and will continue her training in the permanent position. Her training will include Hazardous Materials

Management procedures and regulations, Datatel training, Bid procedures, including writing bid packages, contract procedures, records retention and surplus procedures.

As part of the on-line requisitions implementation, training has been planned and will be provided by a number of Business Services staff.

Other areas of training are being discussed and will be implemented as possible.

Outcome #6

The travel requisition process is cumbersome and difficult for many to understand. There have been complaints on the processes and also complaints on the prices of air travel. Purchasing will be exploring other methods of airline reservations to find ways to save money. Travel procedures will be reviewed and updated and will be distributed to the campus community.

4. Assessment of Success in Reaching Program Outcomes

Outcome:	Timeline:	Support needed from outside the Purchasing Department
Outcome #1: Re-focus the work of the District Buyer by the Implementation of on-line requisition.	Testing and implementation: May 2005-July 2005 Full implementation: August 2005	Information Technology staff, Financial Services staff, test sites.
Outcome #2: Focus on bond related projects.	Through 2008	Bond office, VP of Business Services, Facilities Dept., Architects, Constructors Managers @ Risk.
Outcome #3: Review current processes, revise if necessary and eliminate un-needed procedures. Use piggyback contracts when available and cost effective.	January 2005-June 2006	Process changes that effect other departments will include their input
Outcome #4: Update outdated forms and have appropriate forms available on the Business Services website	January 2005-September 2005	Business Services web team, District web master
Outcome #5: Training of Purchasing staff and provide training to campus community for purchasing department procedures	December 2004-December 2005	Hazardous Materials Classes Datatel training
Outcome #6: Travel procedures	April 2005-December 2005	Financial Services, traveling Departments input. College Counsel Review, V.P.'s Review.

5. Assessment of Program Improvement through the Review of the Teaching Learning Process

Not Applicable since Purchasing and Receiving are support functions and not directly related to Student Learning.

6. List Strengths and Areas Needing Improvement

A survey was sent out to various departments, budget managers and faculty prior to this program review. Twenty-nine people responded and overall the results were very positive for the Purchasing and Receiving departments. The results are summarized below.

Purchasing:

The survey asked to rate the following areas:

- **Purchasing/Requisition process for equipment and/or supplies**
85.7% of the people who claimed they used the services of the Purchasing department indicated that the services were satisfactory or above. 28.6% rated the services as Excellent. 14.3% rated the services below satisfactory.
- **Processing of travel requisitions**
76.5% of the people who claimed they used the services of the Purchasing department indicated that the services were satisfactory or above. 17.6% rated the services as Excellent. 23.5% rated the services below satisfactory.
- **Ordering of office supplies--Purchasing has set up On-Line ordering from your computer for Corporate Express. Is this system meeting your needs?**
95.6% of the people who claimed they used the services of the Purchasing department indicated that the services were satisfactory or above. 56.5% rated the services as Excellent. 4.3% rated the services below satisfactory.
- **Customer service (this includes responding to phone calls and emails, answering the questions you have asked, friendliness and availability)**
88.9% of the people who claimed they used the services of the Purchasing department indicated that the services were satisfactory or above. 59.3% rated the services as Excellent. 11.1% rated the services below satisfactory.

Receiving:

The survey asked to rate the following areas:

- **Incoming Shipments**
69.6% of the people who claimed they used the services of the Purchasing department indicated that the services were satisfactory or above. 21.7% rated the services as Excellent. 30.4% rated the services below satisfactory.
- **Deliveries**
69.6% of the people who claimed they used the services of the Purchasing department indicated that the services were satisfactory or above. 17.4% rated the services as Excellent. 30.4% rated the services below satisfactory.

- **Customer service (this includes responding to phone calls and emails, answering the questions you have asked, friendliness and availability)**

66.7% of the people who claimed they used the services of the Purchasing department indicated that the services were satisfactory or above. 20.8% rated the services as Excellent. 33.3% rated the services below satisfactory.

The survey also requested input on the on-line requisition implementation and for training needs.

On-Line Requisition

Comments indicated that there was some concern about system problems and lost information. These are concerns that Business Services are aware of and a considerable amount of time will be spent testing before the program is rolled out. It was also clear from the comments received that training must be provided and clear documentation must be made readily available.

Training

The survey asked the respondents what type of training they would be interested in. The following percentages of respondents indicated interest in the following areas relating to the purchasing department. This confirms what we discovered during our New Ways to Work project as indicated in our Outcome #4. There is a clear interest in proper training among the campus community.

- Budget and Purchase Order look-up and additional reports 63%
- Purchase Order and Purchase Requisition inquiries 48%
- Blanket Purchase Order: When is it appropriate to use a "BPO" instead of a "PO"? 41%
- Hazardous Materials (Hazmat) Procedures 26%
- Surplus property: rules and regulations 48%
- Travel Procedures 41%

7. Assessment of Recommended Outcomes Measures from Previous Program Review.

Not Applicable since this is the first program review process for this department