



Administrative Activities Review (AAR)

*The Department of Purchasing
Office of Risk Management
PCard & TE Report Processing*

Prepared by: Luba Cramer

July 27, 2018

Administrative Activities Review (AAR) Guidelines Due by August 6, 2018

The review is an opportunity for your unit to reflect on its mission, the services you provide, your strengths and challenges, and your future plans. It will be used to inform decisions about resource allocations across the campus. This document should be used as a guideline and you should address only the sections that are applicable to your unit.

I. Basic Facts and Description of the Unit.

- a. Mission and goals.** Describe your unit's mission/role on campus and its nearerterm/long-term goals.
- b. Services.** Describe the primary services provided by your unit, organizing them into major categories. Indicate how your unit prioritizes its services in terms of importance or effort. Describe the relative magnitude of the major categories (e.g., by department workload, students or customers served, revenue generated, etc.).
 - For each primary service, describe the following:
 - Critical partners. List your key partnerships with other units inside and outside of the University. Note if there is overlap or duplication of services with other units at UA.
 - Customers or end-users of your services. List your customers (e.g., departments, divisions, organizations/groups inside and outside of UA, etc.) or types of students served and include some indication of the relative volume of service provided to ach.
 - Key performance analysis. Present the most important metrics (in charts, tables, etc.) you track to measure performance. Provide the most recent three-to-five years of results, targets, and comparisons to peer institutions, as available. For every metric, provide the corresponding analysis, including a comment on important trends, conclusions, or insights drawn from the data.
 - Brief assessment. Highlight (in a couple of sentences) any noteworthy strengths, challenges, or opportunities.
- c. Resources.** Describe your resources as outlined below. Highlight (in a couple of sentences) any noteworthy strengths, challenges, or opportunities related to your resource allocation.
 - Personnel. Include an organizational chart of your unit, supplemented with a table that includes titles, a short description of the key functions of each position-type, and the number of people in each position-type (including number of FTEs, if applicable). (The appendix should include an org chart showing how your unit fits into the larger University structure.)
 - Financials. Provide a line-item summary of the unit's budgeted and actual expenses (and revenues, if applicable) over the past five years. Briefly explain key takeaways (e.g., causes of budget deficits, trends in expenditures).
 - Equipment and technology. If applicable, describe the equipment and technology critical to your unit's operations.

- Space. If relevant to your unit's operations, describe your unit's location(s) and space allocation.

II. Future Plans. This section should provide insight into the future of your unit, based on your mission and goals, opportunities you intend to pursue, and/or emerging trends that will likely impact your operations.

- a. Potential changes. Are there specific ways you are planning for your unit to evolve (e.g., new/discontinuation of services, changes in strategies for how you operate) in the next 3-5 years? If so, what are you planning? Why do you believe these changes will be necessary?
- b. Trends. As you think about factors external to your unit (at UA, in your field/industry, or nationally/globally), are there emerging trends that will significantly impact your unit (and are not addressed above)? How do you plan to respond?

I. Basic Facts and Description of the Unit -

The Department of Purchasing Office of Risk Management PCard & TE Report Processing

a. Mission and Goals -

The Department of Purchasing Mission

The Department of Purchasing strives to support the University's mission by offering services and programs to the campus in the most cost efficient and effective manner possible. The Department of Purchasing mandate is to organize and administer the procurement of services, equipment, and materials for The University of Akron in accordance with the responsibility and authority delegated by the Board of Trustees, the University President and the laws of the State of Ohio.

The Department of Purchasing Goals

The Department of Purchasing is a service-oriented support to both internal and external customers. Our primary goals are to provide information, guidelines, and collaboration to assist in all aspects of the procurement process. Customer service and accountability are our top priorities.

The Department of Purchasing Services

The primary services of the Department of Purchasing is to provide procurement services to all University departments, programs, and offices. To administer purchase agreements for material, equipment, and services, and to conduct research in order to maintain the most effective purchasing practices and procedures. The purchasing department implements cost saving programs, and assures that vendors have equal opportunity to compete for University business and that all vendors comply with applicable laws.

- Issue Purchase Orders
- The purchase of goods or services initiated by a PeopleSoft requisition
- Issue (Requests for Proposals) RFP's- Solicit proposals through a competitive bid process, most often the Public Purchase bidding tool is used
- ESM- E-procurement online shopping solution. Currently there are 21 contracted suppliers on the ESM as punch-out. All purchases are paid through Pcard.

- Vendor Management/Sourcing- Request vendor registration forms and documentation.
- Contract Management

The Department of Purchasing Construction Mission

To provide representation for The University in regards to the procurement and bidding of construction and design services. In addition, administrating a competitive and fair bidding environment in compliance with the Ohio Revised Code 153 and selected delivery method.

The Department of Purchasing Business Diversity Mission

To create sound business relationships and competitive procurement opportunities that strengthen the economic development and viability for diverse businesses. Continually develop strategies to increase spend with diverse owned suppliers to procure approximately 15% of goods and services from state of Ohio Certified Minority Business Enterprises and 5% from certified Encouraging Diversity, Growth and Equity (EDGE) businesses as mandated by the State of Ohio.

Business Diversity Goals

- Continue increasing vendor data base with qualified diverse suppliers/contractors for the purpose of bringing innovation, competitive pricing and UA's commitment to the economic growth in our community.
- Continue hosting annual Greater Summit Business Conference/Expo Conference on UA Campus.
- Mentor diverse suppliers in forging alliances that strengthen their scope and scale.
- Continue meeting with Department Leadership and share Business Diversity Mission/Goals then offer support in attaining spend goal by providing qualified diverse suppliers to procure from.

Office of Risk Management Mission

The Office of Risk Management recognizes its role of stewardship of the assets of the institution, both tangible and intangible. It interprets its responsibility as requiring the highest possible concern for the safety of its students, employees, and the public; combined with a specific intention to safeguard the assets of the institution.

Office of Risk Management Goals

- Continually look for ways to reduce annual insurance premiums through collaborative or self-insured opportunities.
- Continually work with campus departments, in particular Safety, to promote safe, risk reduction practices on campus.
- Continually work with general counsel to reduce and transfer risk away from the University.
- Identify, investigate and document potential claims to promote recovery where possible or reduce potential liability when applicable.

Office of Risk Management Services

Manage all property & casualty insurance policies in addition to directing and overseeing the Student Health Insurance Program & Auto Liability Self-Insurance Pool; includes maintaining property lists and vehicle list & registration, claim recovery, loss control, endorsements, renewals, etc.

- Work with General Counsel and other departments on insurance contract language, waiver language, emergency release language, etc.
- Provide direction to outside agents and brokers regarding the University's various insurance programs and risk management efforts.
- Administers risk analysis reviews for programs & publications at the University. Advises faculty, staff & students on the risk exposures present within current and proposed activities or programs. Work with the various groups to develop risk management techniques.
- Explore innovative insurance and/or risk reduction programs that can reduce cost of insurance premiums or transfer risk to others thus avoiding the cost of premiums completely.

PCard & TE Report Processing Mission

To utilize a procurement process that allows for the placement and payment of small dollar orders in a more efficient and cost effective manner while, at the same time, reducing the number of POs.

To quickly and efficiently review TE Reports to verify compliance with University policies prior to payment.

PCard & TE Report Processing Goals

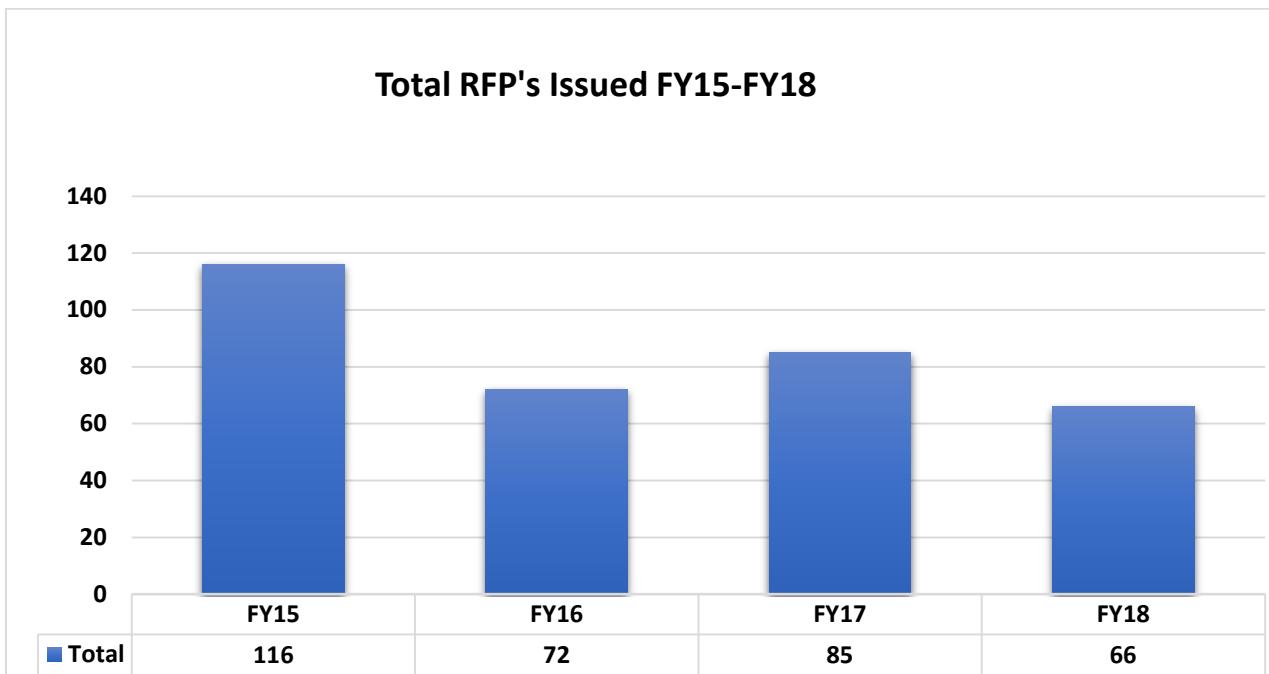
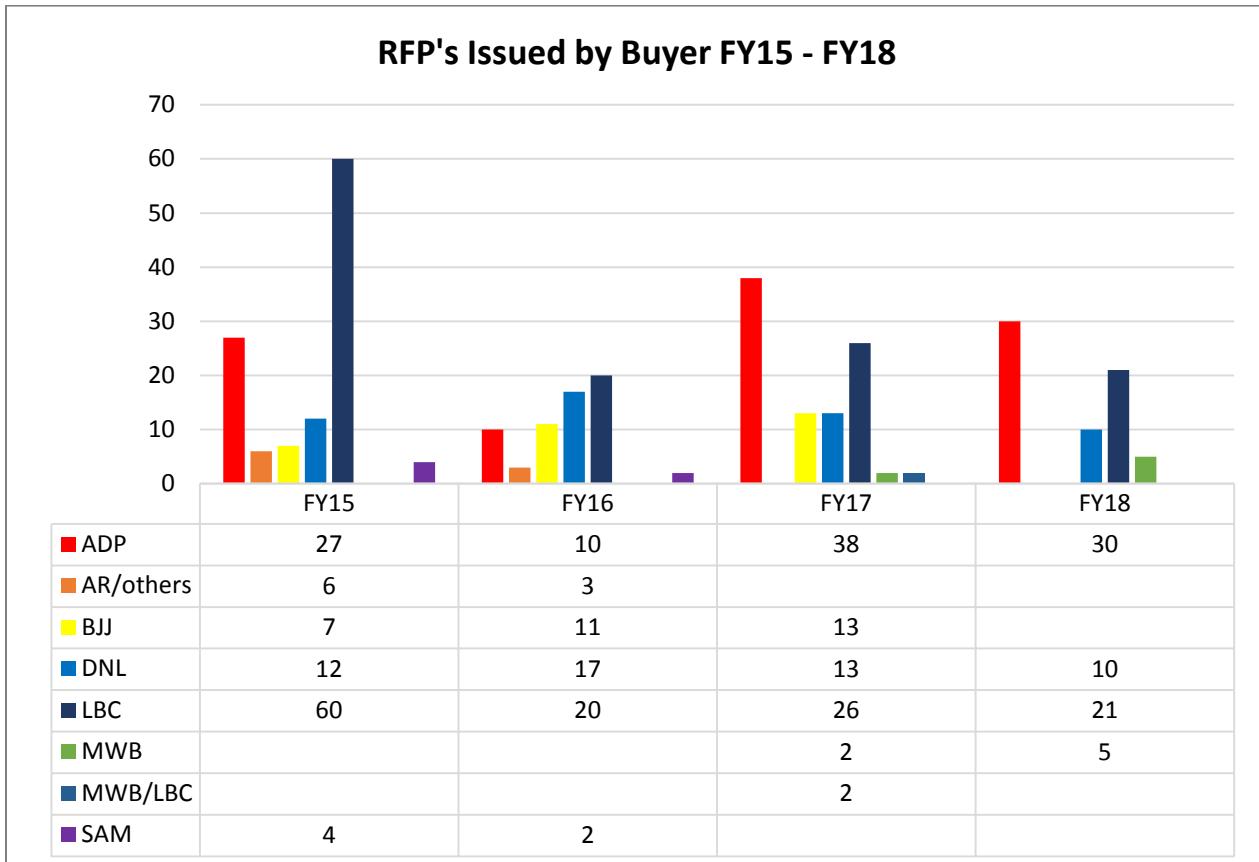
- Promote responsible increase in procurement card spend.
- Help to promote and increase usage of ESM system and vendors.

- Train all procurement card users on rules set forth in the Procurement Card manual.
- Maintain/improve systems to continually monitor and encourage Procurement Card user compliance.
- Maintain/improve system to review all travel/expense reports within 2 business days of receipt.
- Maintain/improve system to properly review and verify all travel/expense reports are within the travel rules set forth by the University.
- Look for new ways to further streamline or improve the T&E process.
- Continually identify and promote ways to increase Fuel Card usage vs PCard.
- Establish a training system that T&E users can use to learn the proper protocols and rules for University travel and reimbursement as set forth by the University.
- Identify and investigate new methods to improve efficiency and ease of the Travel Expense process.

PCard & TE Report Processing Services

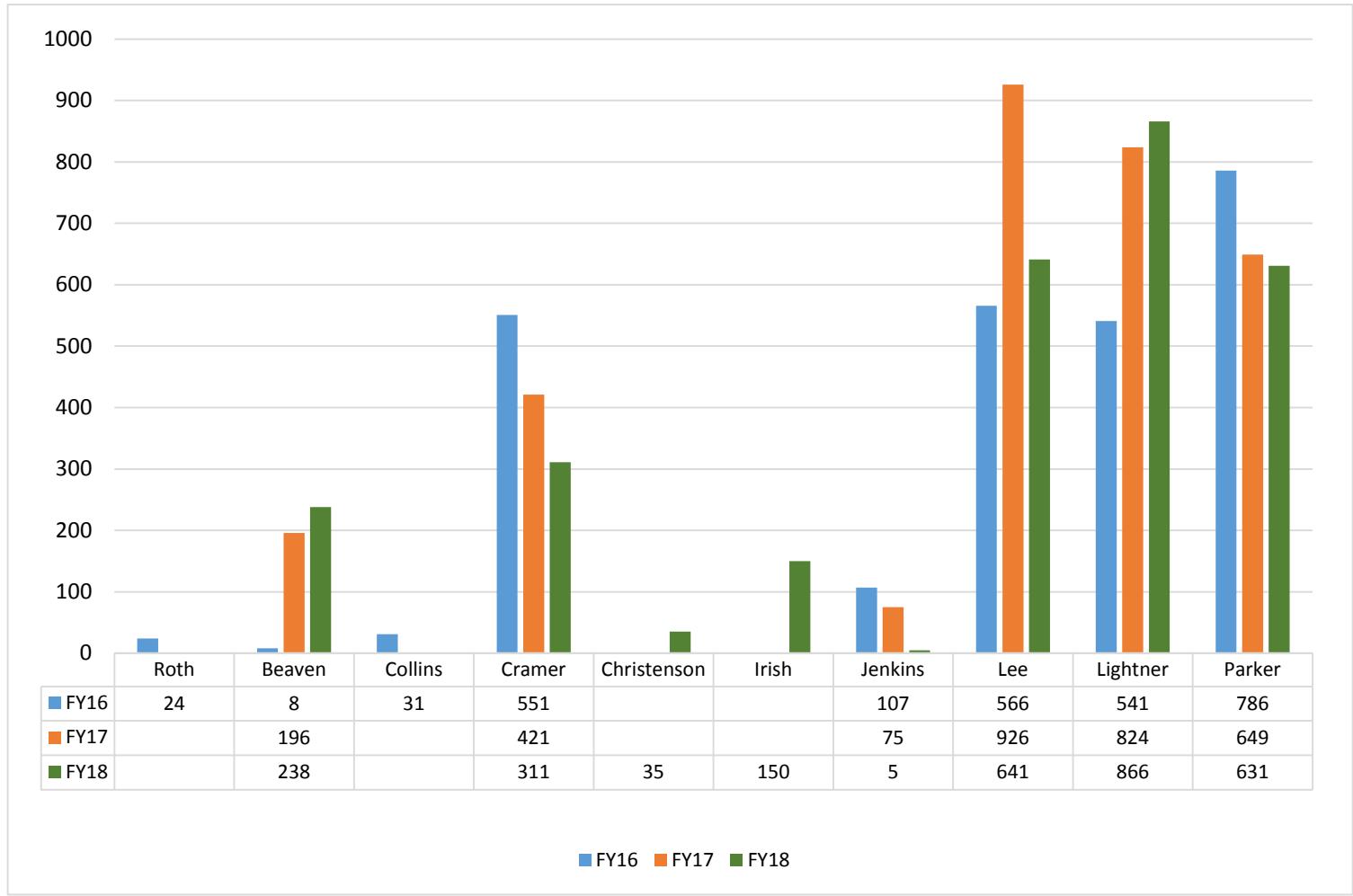
- Oversee and manage the University's Credit Card program, Fleet Fuel Card Program, and Travel Expense Reporting.
- Revise, design and develop web pages for the various card programs and the travel expense reporting area.
- Train all procurement card users so they stay within the established protocols and rules as set forth in the Procurement Card manual.
- Set up systems to continually monitor Procurement Card user compliance and procedures to follow when a user is out of compliance.
- Set up system that guarantees all travel/expense reports are reviewed within 2 business days of receipt or email notification.
- Maintain system to properly review all travel/expense reports to verify the amounts claimed are within the travel rules set forth by the University.

Requests for Proposals (RFP's)



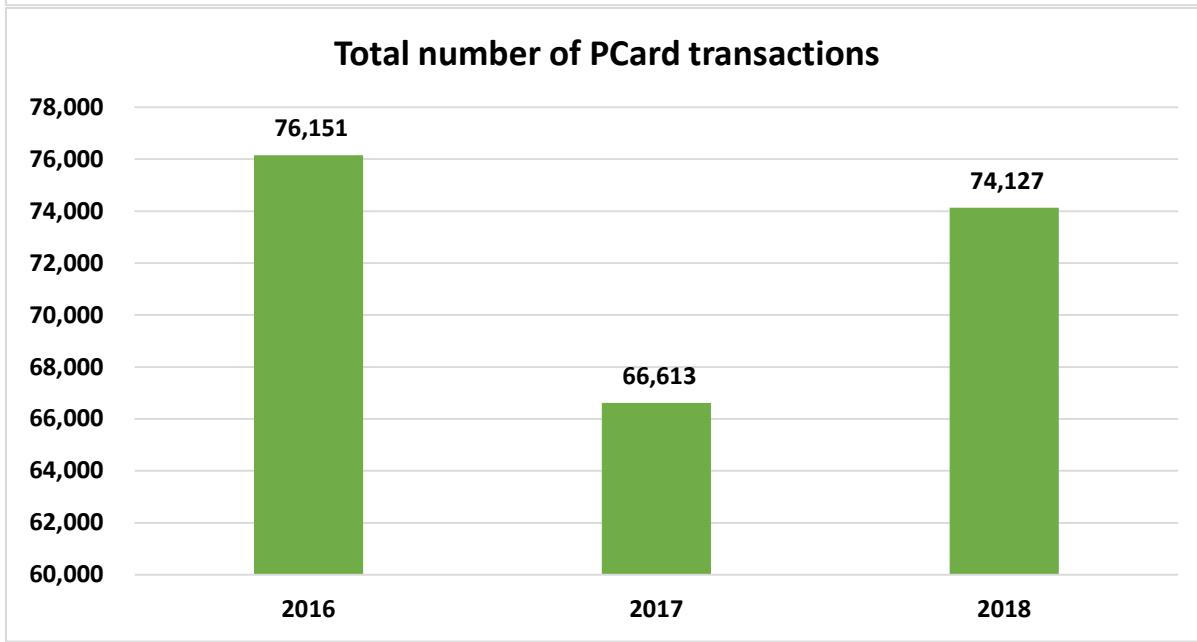
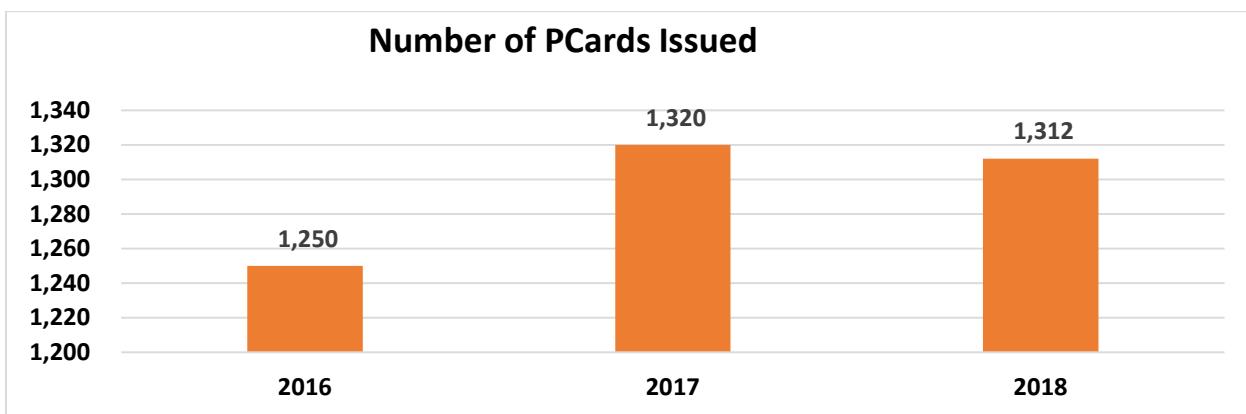
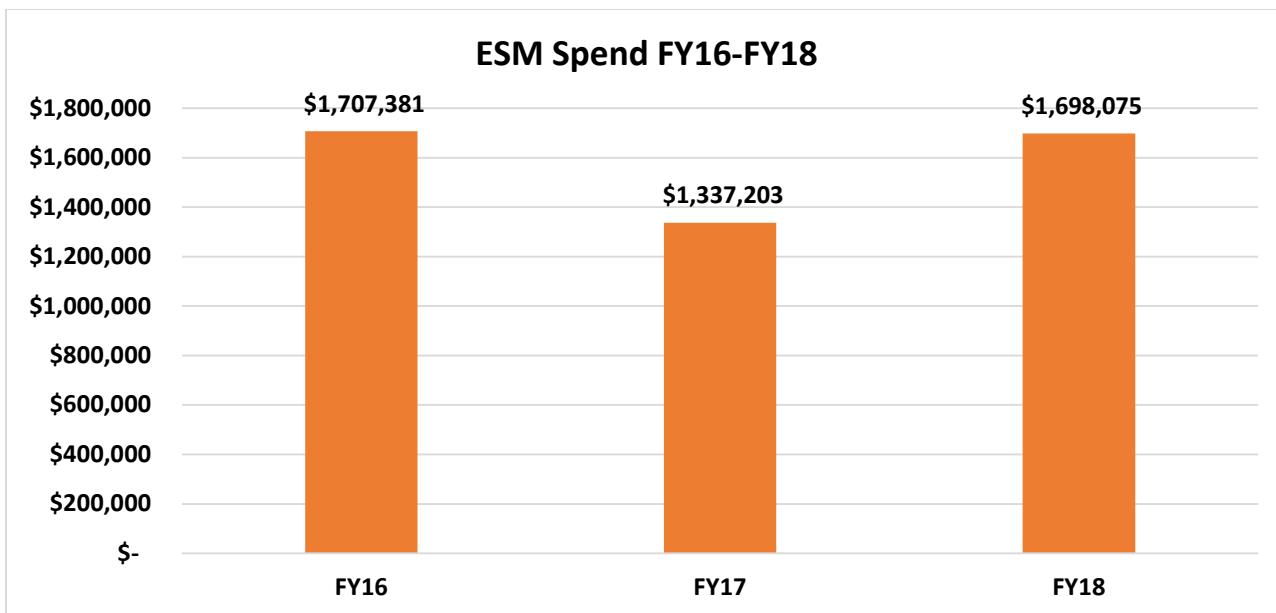
Purchase Orders

Number of PO's Processed by Buyer FY16-FY18

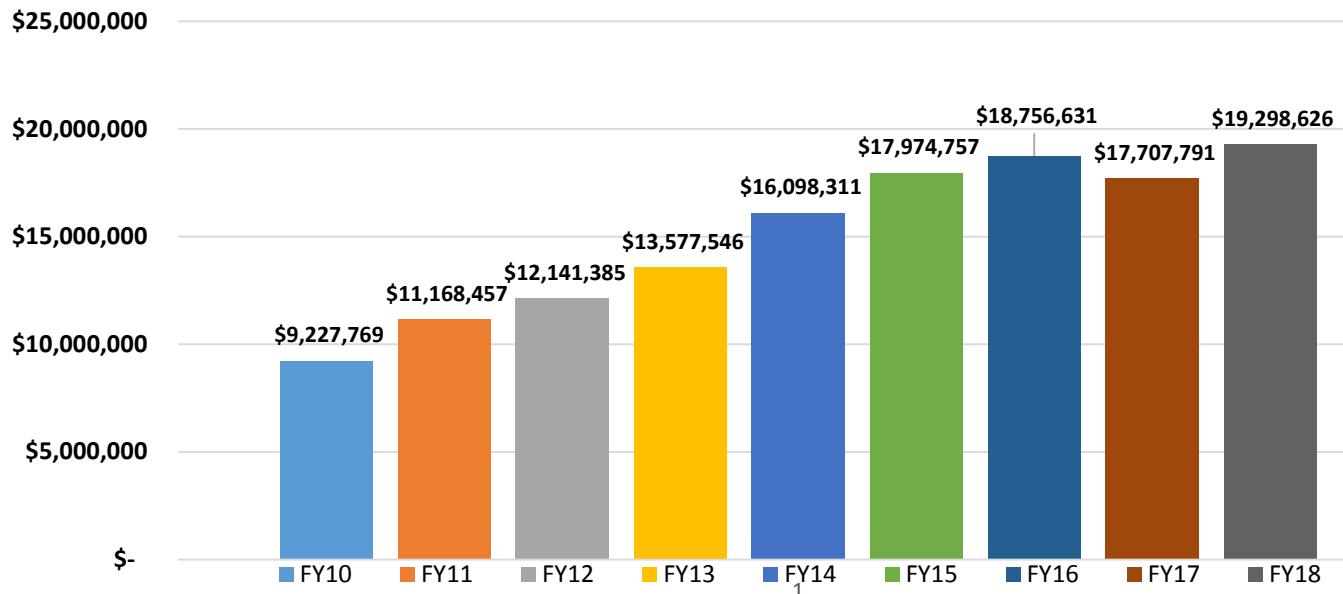


Total PO's Processed FY16-FY18

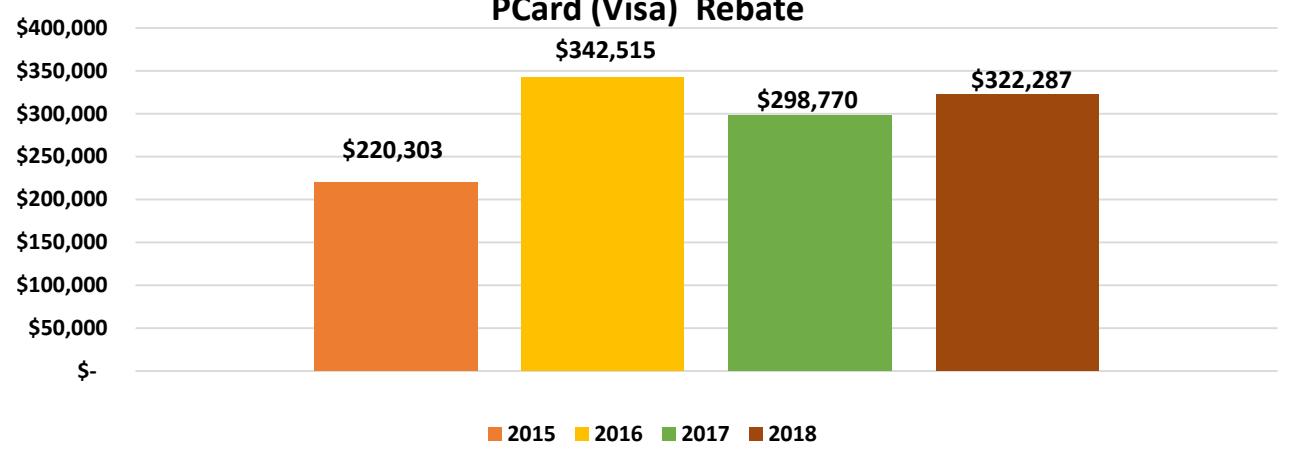




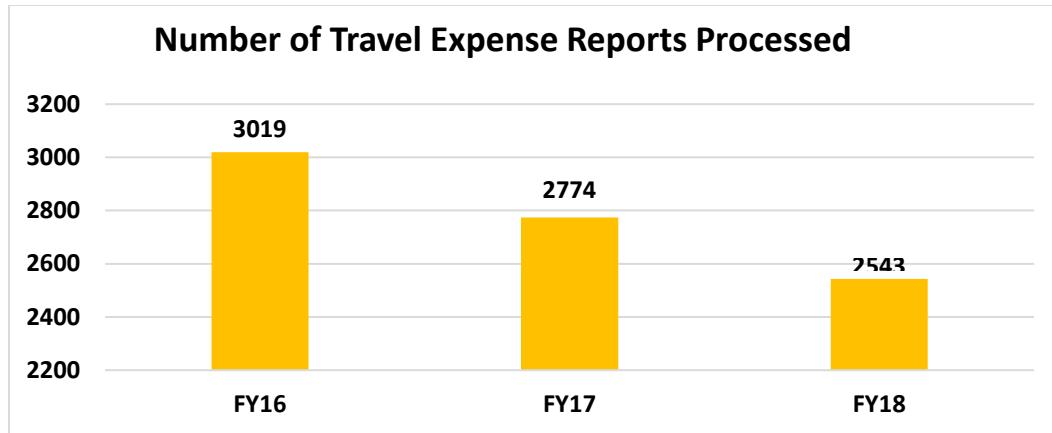
PCard (Visa) Spend 2010-2018



PCard (Visa) Rebate



****NOTE: 2018 Rebate amount is an estimated projected amount**

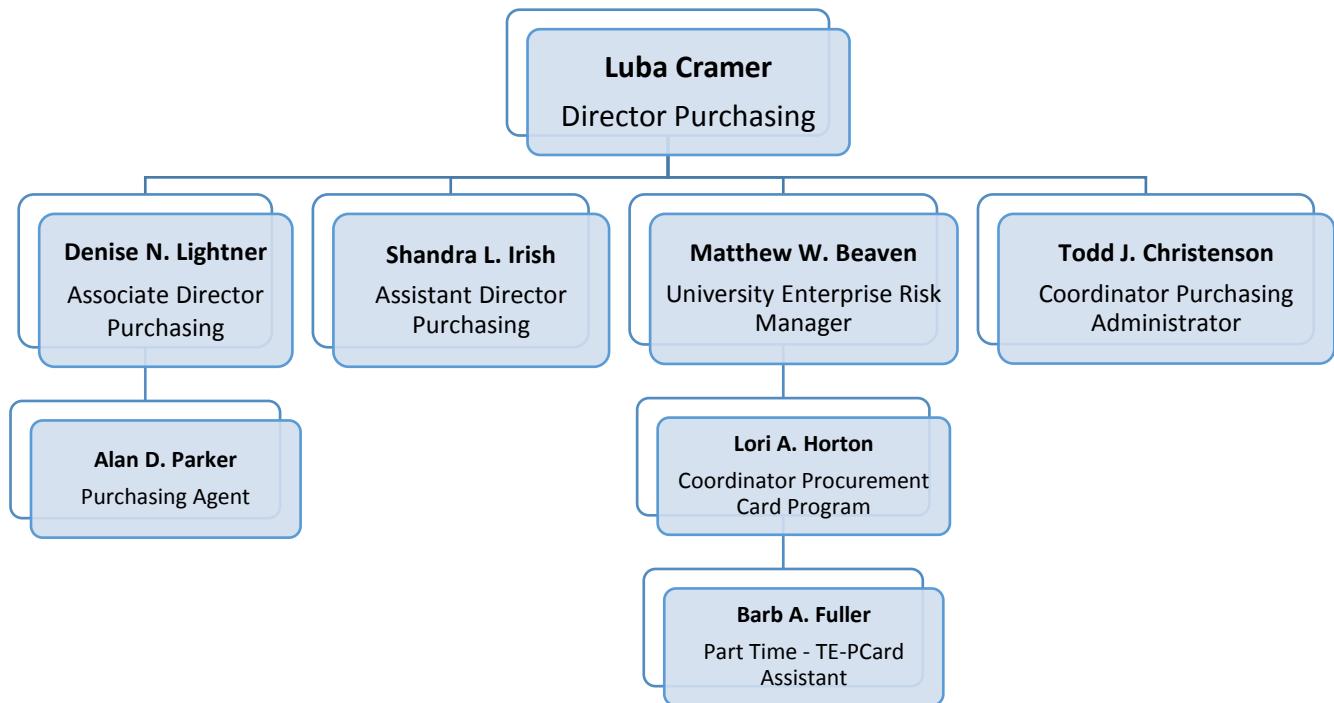


c. Resources

Personnel

The current Full Time Employee (FTE) count is seven with one (Part Time) PTE. Student workers supplement purchasing tasks, although many do not stay longer than two academic years. Currently, two part time students that assist with scanning, coping, and recording information for the department. Three part time students assist with Travel Expense. Because of the high turnover, a continual training process occurs. In 2009, the FTE count was 12. Since 2014 the department was reduced by four, which made a significant impact. Currently, two staff members have less than a year of experience. Within 3- 5 years, I would expect at least one retirement with the potential of two, and the potential for one disability leave.

The Department of Purchasing Organizational Chart - July 2018



Director of Purchasing – Luba Cramer

- Oversees/directs the department as a whole
- Signature/Contract Authority – Signature authority for all contracts at the University.
- Member IUC-PG – represent the University of Akron Purchasing Department
- BOT - Reporting - Over 25K monthly Reports and Board Reports
- Reporting for Governor's Task Force
- Issues RFP's and process PO's
- Issue Purchasing analytics/KPIs/Reports as needed

Associate Director of Purchasing – Denise Lightner

- Issues RFP's and process PO's
- Peoplesoft/Oracle - Budget Errors and Problems
- PeopleSoft Report/Queries
- Designated back-up for Director in her absence
- Review/approve over \$25K Purchase Orders
- Oversee/direct Purchasing Agent
- Training for departments and users

Assistant Director of Purchasing – Shandra Irish

- Over 60% of construction responsibilities
- Conduct pre-bid and pre-construction meetings
- Consult with Capital Planning, Architects, PFOC, and other campus departments regarding specifications, notifications, awards/contracts.
- Compliance with Ohio Revised Code 153, University policies and procedures, and State of Ohio rules and regulations
- Responsible for bid tabs, bids, evaluations, and selection of vendors/contractors.
- Prepares contracts and execution of Purchase orders for Capital Planning and PFOC.
- 10-15-18 - 6-30-18 (FY18) SH issued 7 Request for Quote (RFQ), 10 RFP's

Purchasing Agent – Alan Parker

- Diversity Officer (Identified above in Business Diversity Mission)
- Issues RFP's and processes PO's

Coordinator, Purchasing Administration – Todd Christenson

- Manage front office and oversee students
- Provide administrative role for the Purchasing Department

- Implement/monitor –procurement system (ESM)
- Process professional services agreements
- Create/maintain department website

University Enterprise Risk Manager – Matthew Beaven

- Risk Manager (Identified above in Office of Risk Management Mission)
- Issue RFPs for Group Travel
- Process POs for travel/equipment maintenance
- Manage Gas Pump/Computer/Gas cards

Coordinator Procurement Card Program – Lori Horton

- Administer all aspects of the Procurement Card
- Field phone calls and emails from cardholders or approvers.
- Develop comprehensive training program for cardholders and educate new cardholders and approvers on policies and procedures.
- Update website when needed.
- Process requests for increases and decreases to limits.
- Serve as liaison with the banks for declines or fraud.
- Close out accounts when necessary.
- Reassign approvers and reconcilers.
- Process new cardholder applications and set up new cardholder accounts.
- Maintain cardholder files.
- Run month end query and reconcile with bank statement. Verify report for errors.
- Process travel expense reports and verify expenses.
- Monitor procurement card activity and usage patterns for compliance, negotiation of contracts and program growth opportunities.
- Maintain confidential personnel files and generate relevant reports.
- Responsible for directing and monitoring the work of student and/or temporary workers.

TE-PCard Assistant (Part Time)- Barb Fuller

- Train students/employees for Travel Expense/PCard
- Train/run queries and reports
- Serve as a back up to PCard Coordinator

Financials

Budget information as reported in Peoplesoft. The budget for FY19 is less than half compared to FY15. The reduced budget is reflective of the reduced FTE, as well as all other reduced budget lines.

		FY15 Budget	FY15 Actual	FY16 Budget	FY16 Actual	FY17 Budget	FY17 Actual	FY18 Budget	FY18 Actual	FY19 Budget
5100	Administration	271,260.01	271,260.08	212,709.16	212,709.16	43,855.18	43,855.22	101,381.00	101,308.22	190,917.00
5150	Part-time Contr Prof			17,571.66	17,571.66	18,603.62	18,603.62	8,991.75	8,991.75	
5200	Full Time Staff	177,187.49	177,187.49	160,605.51	160,605.51	200,377.13	200,370.65	181,950.35	181,955.26	104,231.73
5220	Part-time Staff			362.10	362.1	48,399.66	47,335.60	461.68	461.68	
5240	Staff Overtime	266.28	266.28	291.87	291.87	700	221.51			
5600	Fringe Benefits	172,770.54	172,770.54	172,952.11	172,952.11	159,799.21	159,799.21	137,058.59	154,275.16	
	**Total Compensation	621,484.32	621,484.39	564,492.41	564,492.41	508,019.73	487,293.47	429,843.37	446,992.07	
5400	Student Assistants	2,847.64	2,847.64	8,838.89	1,846.65	7,984.93	984.93	601.55	542.26	1,130.00
5700	Supplies & Services	13,697.45	13,697.45	11,705.02	10,150.88	15,300.00	5,106.57	7,290.84	7,290.84	19,000.00
6300	Communications	10,298.51	10,298.51	11,000.00	9,205.68	11,000.00	9,205.68			
6800	Plant Fund Expense	9,420.00	9,420.00		4,605.83					
7000	Travel & Hospitality	3,080.27	3,080.27	6,000.00	9,205.68	2,000.00	1,810.48	2,324.68	2,324.68	
7400	Cost Sharing	-10,000.00	-10,000.00		4,605.83					
	**Total Other Costs	29,343.87	29,343.87	37,543.91	25,809.04	36,284.93	17,107.66	10,217.07	10,157.78	22,730.00
	***Grand Total	650,828.19	650,828.26	602,036.32	590,301.45	508,019.73	487,293.47	440,060.44	457,149.85	317,878.73

Equipment and technology

The equipment and technology that is critical to the Department of Purchasing are computers, printers, scanners, phone, and various office equipment.

Computer software/ERP systems that are user friendly and that have the capability to extract data/reports/queries easily are challenging.

Metrics/analytics are the normal business practice, yet they are very time consuming and cumbersome to extract.

Space

The Department of Purchasing, Office of Risk Management, and PCard & TE Report Processing are all located at 100 Lincoln St. Akron, OH 44325, 2nd Floor. Currently, there are open cubical space where employees were once occupying that space.

II. Future Plans

a. Potential changes-

Currently, we are reactionary more so than proactive in many areas as we do not have the resources to develop more services. We have to grow the services that we have and deal with crisis management more so than improvements that can be made. We are having difficult times managing the workloads at times. My current plan is to manage things on a daily, weekly, and monthly basis.

We have launched a new user interface in ESM in which we hope to continue to grow the supplier base that are under E&I and IUC contracts.

Purchasing has/is becoming more decentralized with the ESM and PCard options for procurement. In addition, those areas need oversight to ensure that end users are following the purchasing policies.

Purchasing is responsible for insuring that the policies, procedures, BOT rules are followed, but the stakeholders have their own needs/goals and this can pose a huge challenge if the purchasing policies are not adhered to. The goal of collaborating with the purchasing department at the early phases continually reinforced.

Trends

Analytics and data retrieval are common expectations. The processes we currently have are cumbersome, not automated, and not user friendly. As more emphasis is placed on technology, it appears we are lagging further and further behind. This poses a huge problem when there are not enough employees to cover the daily tasks so that the larger initiatives can be focused on.

As the internet, and online shopping continues to grow so does the awareness of instant price comparison. An example is Amazon as a storefront where several vendors can have pricing and availability instantly. This trend may be positive for the end user, but it creates difficulty when contracts are negotiated as those prices do not fluctuate so quickly. This is a challenging new dynamic for Purchasing.

Also, the trend to decentralize the procurement function creates difficulty when trying to then provide oversight of the goods/services that are being purchased.