

Administrative and Educational Support Report

Materials Management

Annual Action Plan
Annual Assessment Report

June 2006 – May 2007



Annual Action Plan: June 1, 2006–May 31, 2007

Unit: Department of Materials Management

UTPA Mission: The University of Texas-Pan American (UTPA) serves the higher education needs of a rapidly growing, international, multicultural population in the South Texas Region. The University preserves, transmits and creates knowledge to serve the cultural, civic, and economic advancement of the region and the state. The University provides students advanced instruction in academic programs offered through innovative delivery systems that lead to professional certification, and baccalaureate, master’s and doctoral degrees. Through teaching, research, creative activity and public service, UTPA prepares students for lifelong learning and leadership roles in the state, nation and world community.

Division: Business Affairs **Unit Head:** Frances A. Rios

Unit Mission: The Department of Materials Management strives to provide efficient and responsive procurement and related services to University departments with exceptional customer service and with the highest standards of ethics.

University Goal: Optimize institutional effectiveness and efficiency consistent with high quality organizational standards.

Division Objective: Increase value added, customer service, and goodwill value to business practices.

Unit Objective	Strategy(ies) to Achieve Unit Objective	Measurable Outcome for Unit Objective	Assessment Criteria, Evaluation Methods for Measurable Outcome	New Resources Needed in FY07
Increase the effectiveness of Purchasing process.	Roll out campus wide procurement card program – piloted in prior year. (1) 1 Conduct an internal audit of the pilot program to date. 2 Conduct a program review. 3 Conduct survey of pilot departments. 4 Seek feedback from	Appropriate mitigation of risk of purchasing abuse of procurement card program. Level of customer satisfaction. Extent of program adoption.	<ul style="list-style-type: none"> • Office of Internal Audits audit results will show zero abuse of the procurement card program by May 31, 2007. • A customer survey, completed by April 31, 2007, will show good to excellent satisfaction with the procurement card program. 	None initially but will have to study impact on existing staff resources for FY08 request.

Annual Action Plan June 1, 2006–May 31, 2007

Unit Objective	Strategy(ies) to Achieve Unit Objective	Measurable Outcome for Unit Objective	Assessment Criteria, Evaluation Methods for Measurable Outcome	New Resources Needed in FY07
	<p>users.</p> <p>5 Make recommendations to executive administration on campus wide adoption.</p> <p>Improve purchasing process by developing university-wide commodity contracts and/or utilizing available cooperative/group contracts. (4)</p> <p>1 Identify eligible commodities.</p> <p>2 Research cooperative/group contracts for higher education use.</p> <p>3 Work with E & I Cooperative and/or Higher Education Consortium on development of specific commodity contracts.</p> <p>4 Conduct a best value analysis on available cooperative/group contracts for UTPA.</p> <p>5 Seek feedback from user departments.</p>	<p>Extent of biddable transactions over \$5,000 processed by commodity or group contracts providing best value.</p>	<p>5% increase in the number of group contracts by May 31, 2007 compared to the prior academic year.</p>	
<p>Implement process to improve cost effectiveness and efficiency of package</p>	<p>Pilot one-stop solution for shipment of outbound packages for departments- by: (6)</p>	<p>Level of department user satisfaction.</p> <p>Level of use of low cost</p>	<p>A customer survey, completed by April 31, 2007, will show good to excellent satisfaction with the one-stop process of outbound</p>	<p>None - Computer programming to be provided by department's Systems</p>

Annual Action Plan June 1, 2006–May 31, 2007

Unit Objective	Strategy(ies) to Achieve Unit Objective	Measurable Outcome for Unit Objective	Assessment Criteria, Evaluation Methods for Measurable Outcome	New Resources Needed in FY07
delivery to and from campus.	<ol style="list-style-type: none"> 1 Analyzing current process of outbound shipments. 2 Researching Internet-based solutions. 	carriers.	shipments. Average cost per package will decrease by at least 5% by May 31, 2007, compared to last year.	Analyst.
	Develop process for identification of incoming packages to new UTPA employees to ensure delivery is made to correct department. (7) <ol style="list-style-type: none"> 1 Work with Human Resources on identification of new employees. 2 Communicate with departments regarding changes in personnel. 3 Develop a process between HR and Central Receiving. 4 Provide training of departmental users in proper identification in purchase order “deliver to” address. 	Timeliness of inbound deliveries.	Turn-around for unidentifiable packages will improve by at least 5% by May 31, 2007, compared to last year. The number of unidentifiable packages will be reduced by at least 10% by May 31, 2007, compared to last year.	None – process development done in-house.
Automate university travel credit card reconciliation process that will replace current cumbersome manual process and thereby expedite the payment process. (9)	<ul style="list-style-type: none"> • Analyze current reconciliation and payment process. • Meet with Accounts Payable staff. • Analyze JP Morgan Chase’s Smart Data 	<ul style="list-style-type: none"> • Elimination of manual process. • Efficiency of on-line process. 	The number of days necessary to complete the on-line payment process will be at least one day less than that required for the manual process by May 31, 2007.	None – training and assistance as needed from JP Morgan Chase.

Annual Action Plan June 1, 2006–May 31, 2007

Unit Objective	Strategy(ies) to Achieve Unit Objective	Measurable Outcome for Unit Objective	Assessment Criteria, Evaluation Methods for Measurable Outcome	New Resources Needed in FY07
	<p>Online (SDOL) tool.</p> <ul style="list-style-type: none"> • Develop online process. 			
<p>Meet or exceed State Historically Underutilized Businesses (HUB) Good Faith Effort Goals.</p>	<p>Improve vendor relations and HUB Outreach Program. (10)</p> <ol style="list-style-type: none"> 1 Conduct more one-on-one sessions with minority or woman-owned businesses regarding benefits of HUB certification. 2 Invite HUB-certified businesses to vendor forums at UTPA. <p>Improve participation in HUB forums/fairs by all UTPA divisions. (11)</p> <ol style="list-style-type: none"> 1 Create a HUB “report card” for each division. 2 Provide assistance to divisions on expanding their utilization of HUBs for purchases. 3 Provide HUB information at training workshops. 4 Post HUB information on web page. 5 Schedule HUB forums/fairs and encourage participation by all departments. 	<p>Level of participation of HUB certified businesses in University purchases.</p> <p>Level of HUB utilization by all divisions.</p>	<p>Increase in number of HUB certified vendors doing business with University compared to prior year.</p> <p>Increase percentage in HUB expenditures compared to total University purchases by at least 2% by May 31, 2007.</p> <p>Increase in HUB utilization by at least 5% by May 31, 2007 by all divisions compared to last year.</p>	<p>Assistance with clerical tasks and report generation.</p>

Annual Action Plan June 1, 2006–May 31, 2007

Unit Objective	Strategy(ies) to Achieve Unit Objective	Measurable Outcome for Unit Objective	Assessment Criteria, Evaluation Methods for Measurable Outcome	New Resources Needed in FY07
	6 Seek feedback from user departments on products and services purchased that could be supplied by HUBs. 7 Schedule individual meetings between HUBs and departments.			
Develop improved contracting policy and procedures.	Develop contracts policy for the HOP. (12) 1 Research other university contracts policies. 2 Review State Auditor's Office contracting guidelines. 3 Review Texas Building and Procurement Contract Management Guide. 4 Review UT System contracting guidelines. 5 Obtain feedback from user departments. 6 Adopt best practices. 7 Draft policy for UTPA administration review and consideration.	Progress towards adoption of HOP policy.	Handbook of Operating Procedures policy approved and published on web by May 31, 2007.	Clerical position.
	Decrease the contract execution and processing cycle time. (13) 1 Research and review contract procedures at other similar universities.	Improvement in the contract execution and processing cycle time.	Decrease in average number of days between receipt of contract request and final execution of contract by at least one day compared to last year.	Clerical position (above).

Annual Action Plan June 1, 2006–May 31, 2007

Unit Objective	Strategy(ies) to Achieve Unit Objective	Measurable Outcome for Unit Objective	Assessment Criteria, Evaluation Methods for Measurable Outcome	New Resources Needed in FY07
	2 Identify deficiencies in the current process for all types of procurement contracts. 3 Study the UTPA approval/signature process, the contractor's approval/signature process, the LBB reporting process. 4 Modify procedures as appropriate to expedite the contract execution process.			

University Goal:

Optimize institutional effectiveness and efficiency consistent with high quality organizational standards.

Division Objective:

Identify and provide staff professional development opportunities in and outside of the Division.

Unit Objective	Strategy(ies) to Achieve Unit Objective	Measurable Outcome for Unit Objective	Assessment Criteria, Evaluation Methods for Measurable Outcome	New Resources Needed in FY07
Provide training in needed areas of Materials Management function.	Update UTPA purchaser certification plan to replace discontinued Institute for Supply Management's Accredited Purchasing Practitioner certification. (5) 1 Research other UT institutions. 2 Review national and state certification programs.	Continued compliance with UT System Regents' mandate in the face of the change in current accrediting agencies.	Compliance with UT Systems Regent mandate BPM64 measured and reported by May 31, 2007.	TBD depending on program requirements for certification.

Annual Action Plan June 1, 2006–May 31, 2007

Unit Objective	Strategy(ies) to Achieve Unit Objective	Measurable Outcome for Unit Objective	Assessment Criteria, Evaluation Methods for Measurable Outcome	New Resources Needed in FY07
	<p>3 Adopt best program for this level of purchaser certification at UTPA.</p> <p>Develop a process for identifying new projects managers and alternates for targeted training. (3)</p> <p>Develop and pilot a contracts administrator and support staff training program. (14)</p> <p>1 Research other universities training programs.</p> <p>2 Schedule a UTS Office of General Counsel (OGC) contracts training on UTPA campus.</p> <p>3 Seek assistance from OGC.</p> <p>4 Obtain feedback from user departments.</p> <p>5 Develop an instructor-led and/or online training program.</p>	<p>Extent of implementation of new process.</p> <p>Extent of development and piloting of the program.</p>	<p>Implementation of process complete and reported by May 31, 2007.</p> <p>Report showing extent of current development and piloting steps necessary completed by May 31, 2007.</p>	<p>Training materials. Existing staff will conduct training workshops.</p> <p>Clerical position (above).</p>

University Goal:

Optimize institutional effectiveness and efficiency consistent with high quality organizational standards.

Division Objective:

Support ongoing improvement of information systems.

Annual Action Plan June 1, 2006–May 31, 2007

Unit Objective	Strategy(ies) to Achieve Unit Objective	Measurable Outcome for Unit Objective	Assessment Criteria, Evaluation Methods for Measurable Outcome	New Resources Needed in FY07
<p>Enhance Oracle's procurement module functionality – Phase II. (2)</p>	<ul style="list-style-type: none"> • Evaluate effectiveness of existing bid process functionality including bid documents, bid responses, bid tabulation, and evaluation. • Analyze I-procurement implementation. • Analyze p-card implementation. • Review and compare third-party products on the market that are fully compatible with Oracle. 	<p>Progress toward closing gaps identified in Fit-Gap Analysis.</p>	<p>Close 100% of gaps identified in Fit-Gap-analysis conducted during Oracle implementation discovery phase by May 31, 2007.</p>	<p>Consultant time not addressed in Phase I implementation.</p>



Annual Action Plan: June 1, 2006–May 31, 2007

Unit: Department of Materials Management

UTPA Mission: The University of Texas-Pan American (UTPA) serves the higher education needs of a rapidly growing, international, multicultural population in the South Texas Region. The University preserves, transmits and creates knowledge to serve the cultural, civic, and economic advancement of the region and the state. The University provides students advanced instruction in academic programs offered through innovative delivery systems that lead to professional certification, and baccalaureate, master’s and doctoral degrees. Through teaching, research, creative activity and public service, UTPA prepares students for lifelong learning and leadership roles in the state, nation and world community.

Division: Business Affairs **Unit Head:** Frances A. Rios

Unit Mission: The Department of Materials Management strives to provide efficient and responsive procurement and related services to University departments with exceptional customer service and with the highest standards of ethics.

University Goal: Optimize institutional effectiveness and efficiency consistent with high quality organizational standards.

Division Objective: Increase value added, customer service, and goodwill value to business practices.

Unit Objective	Measurable Outcome for Unit Objective	Assessment Criteria, Evaluation Methods for Measurable Outcome	Assessment Results (Use actual data to describe annual performance)	Use of Results (What change was made?)
Increase the effectiveness of Purchasing process.	Appropriate mitigation of risk of purchasing abuse of procurement card program.	Office of Internal Audits audit results will show zero abuse of the procurement card program by May 31, 2007.	Audit determined that procedures and monitoring controls were adequate and no abuse was found.	Recommendations relating to MCC restrictions, unclaimed cards, terminating cardholders, monitoring of monthly reconciliations, and training were included in program procedures.
	Level of customer satisfaction.	A customer survey, completed by April 31, 2007, will show good to excellent satisfaction with the procurement card program.	Survey results indicate (on scale from 1 (Poor) to 5 (Excellent)) the following ratings: a. Supervisors - 4.57 b. Reconcilers - 4.55	
	Extent of program	5% increase in the number of		

Annual Action Plan June 1, 2006–May 31, 2007

Unit Objective	Measurable Outcome for Unit Objective	Assessment Criteria, Evaluation Methods for Measurable Outcome	Assessment Results (Use actual data to describe annual performance)	Use of Results (What change was made?)
	<p>adoption.</p> <p>Extent of biddable transactions over \$5,000 processed by commodity or group contracts providing best value.</p>	<p>group contracts by May 31, 2007 compared to the prior academic year.</p>	<p>c. Cardholders - 4.44</p> <p>Small dollar purchases were reduced by 14% for the same time period (Sept. through February) of previous FY. Annual FY data cannot be compared until after 8/31/07.</p> <p>Report of PO types for the same period in the prior year indicates a 7% increase in the number of cooperative/group contract purchases. Feedback from users indicates a high level of satisfaction as a result of best value pricing and improved processing time.</p>	<p>campus wide rollout were made to President's Council. Note: Due to numerous staff vacancies for extended periods and Oracle ERP post Go Live problems, the rollout will be scheduled in FY08.</p> <p>Continuation of process.</p>
<p>Implement process to improve cost effectiveness and efficiency of package delivery to and from campus.</p>	<p>Level of department user satisfaction.</p> <p>Level of use of low cost carriers.</p>	<p>A customer survey, completed by April 31, 2007, will show good to excellent satisfaction with the one-stop process of outbound shipments.</p> <p>Average cost per package will decrease by at least 5% by May 31, 2007, compared to last year.</p>	<p>"Although process has not been implemented, the following progress has been made: Research was done on Internet-based shipping solutions. Only one vendor's product was already implemented at other UT institutions. A survey of 18 representative departments indicated favorable responses for</p>	<p>Contract is in process. Enrollment will commence upon contract execution in Summer 07</p>

Annual Action Plan June 1, 2006–May 31, 2007

Unit Objective	Measurable Outcome for Unit Objective	Assessment Criteria, Evaluation Methods for Measurable Outcome	Assessment Results (Use actual data to describe annual performance)	Use of Results (What change was made?)
			<p>implementation of this system at UTPA. Communication with UT vendor was initiated and contract process started.</p> <p>Average cost per package cannot be determined until process is fully implemented."</p>	
	<p>Timeliness of inbound deliveries.</p>	<p>Turn-around for unidentifiable packages will improve by at least 5% by May 31, 2007, compared to last year.</p> <p>The number of unidentifiable packages will be reduced by at least 10% by May 31, 2007, compared to last year.</p>	<p>HR unable to provide list of new hires as they occur to Central Receiv. Reliance is on web directory that is not frequently updated or via calls to HR. Progress indicates the following: 20% of unidentified packages are for new hires not listed in directory. 60% of unidentified packages are due to departments failing to provide delivery information (person, building/room) in Oracle system. 20% of unidentified packages are due to vendors failing to reference a purchase order number on package shipping labels.</p> <p>Modification to Oracle PO</p>	<p>"Analysis on manual process vs. automated process showed a potential 95% reduction in processing time for identification of incoming packages with an automated package tracking system.</p> <p>FY08 equipment request for package tracking system was made.</p>

Annual Action Plan June 1, 2006–May 31, 2007

Unit Objective	Measurable Outcome for Unit Objective	Assessment Criteria, Evaluation Methods for Measurable Outcome	Assessment Results (Use actual data to describe annual performance)	Use of Results (What change was made?)
			<p>module in process that will require depts to enter delivery info before a requisition/order is routed for approval. With this change, we expect to reduce the number of unidentifiable packages by 60%. Communication is being made with vendors, Purchasing Dept., and departmental SPO buyers on assistance with proper package labeling to address the remaining 40% of the problem pending purchase of package tracking system.</p>	
<p>Automate university travel credit card reconciliation process that will replace current cumbersome manual process and thereby expedite the payment process. (9)</p>	<p>Elimination of manual process. Efficiency of on-line process.</p>	<p>The number of days necessary to complete the on-line payment process will be at least one day less than that required for the manual process by May 31, 2007.</p>	<p>The automated reconciliation process takes 3 days less than the manual process from receipt of statement (automated process takes 2 days vs. 5 days for the manual process). The process required extensive manual effort to match card charges to travel applications.</p>	<p>MasterCard's Smart Data Online system is now used to reconcile credit card charges.</p>
<p>Meet or exceed State Historically Underutilized Businesses (HUB) Good Faith Effort Goals.</p>	<p>Level of participation of HUB certified businesses in University purchases.</p>	<p>Increase in number of HUB certified vendors doing business with University compared to prior year. Increase percentage in HUB</p>	<p>Analysis shows that the number of HUB-certified and Central Master Bidders List registered vendors increased in our area by 11%.</p>	<p>HUB Program will continue to conduct HUB certification workshops with local minority and woman-owned businesses in an effort to</p>

Annual Action Plan June 1, 2006–May 31, 2007

Unit Objective	Measurable Outcome for Unit Objective	Assessment Criteria, Evaluation Methods for Measurable Outcome	Assessment Results (Use actual data to describe annual performance)	Use of Results (What change was made?)
	<p>Level of HUB utilization by all divisions.</p>	<p>expenditures compared to total University purchases by at least 2% by May 31, 2007.</p> <p>Increase in HUB utilization by at least 5% by May 31, 2007 by all divisions compared to last year.</p>	<p>Data shows a 2.5% decrease in total HUB expenditures for the semi-annual HUB report. Analysis shows that notable contributing factors to the decrease include the following non-HUB items:</p> <ul style="list-style-type: none"> 8% for sole source purchases 15% for construction purchases 15% for Oracle-related purchases 4% for Dell purchases 1% for HP purchases <p>Divisional report cards and departmental meetings and workshops have been postponed until FY08 due to ERP system issues/challenges and numerous staff vacancies. Oracle HUB report program requires extensive rework in order to make an accurate FY comparison between Oracle data and legacy data from prior FY.</p>	<p>increase the HUB-certified vendor pool. Better HUB utilization in construction by job order contractor will be closely monitored. Sole source justifications will be closely scrutinized. Best value analysis prior to utilizing non-HUB group contracts will take the HUB issue into consideration.</p> <p>Continuation with divisional report cards project and departmental meetings and workshops during FY08. Currently working with IT and Oracle consultants on reporting deficiencies.</p>

Annual Action Plan June 1, 2006–May 31, 2007

Unit Objective	Measurable Outcome for Unit Objective	Assessment Criteria, Evaluation Methods for Measurable Outcome	Assessment Results (Use actual data to describe annual performance)	Use of Results (What change was made?)
Develop improved contracting policy and procedures.	Progress towards adoption of HOP policy.	Handbook of Operating Procedures policy approved and published on web by May 31, 2007.	HOP policy to be presented to VPBA in Summer 07; progress made includes: Review of State Auditor's Office, TBPC, and UTS contracting guidelines was done. Research into best practices at other UT institutions has been conducted. Research on other non-UT institutions is ongoing.	General UTPA and UTS contracting procedures have been posted on Materials Management web page. Oracle processes are being incorporated into procedures.
	Improvement in the contract execution and processing cycle time.	Decrease in average number of days between receipt of contract request and final execution of contract by at least one day compared to last year.	Cycle time has decreased by 2 days. Analysis of cycle time identified 2 main areas of long delays in contract approval/signature process: Personnel vacancies and contract review workloads contributed to delays in contracts office review process.	Advanced electronic copies of contracts are now forwarded to approving administrator in identified areas prior to routing of (paper) contracts. Additional contracts specialist was requested in FY08 budget. More extensive data is being captured in a newly created database.

University Goal:

Optimize institutional effectiveness and efficiency consistent with high quality organizational standards.

Division Objective:

Identify and provide staff professional development opportunities in and outside of the Division.

Annual Action Plan June 1, 2006–May 31, 2007

Unit Objective	Measurable Outcome for Unit Objective	Assessment Criteria, Evaluation Methods for Measurable Outcome	Assessment Results (Use actual data to describe annual performance)	Use of Results (What change was made?)
<p>Provide training in needed areas of Materials Management function.</p>	<p>Continued compliance with UT System Regents' mandate in the face of the change in current accrediting agencies.</p> <p>Extent of implementation of new process.</p> <p>Extent of development and piloting of the program.</p>	<p>Compliance with UT Systems Regent mandate BPM64 measured and reported by May 31, 2007.</p> <p>Implementation of process complete and reported by May 31, 2007.</p> <p>Report showing extent of current development and piloting steps necessary completed by May 31, 2007.</p>	<p>Materials Management continues to comply with BPM64; the Certified Purchasing Manager certification was determined to be the most feasible program to adopt for UTPA purchasers.</p> <p>Process developed for identifying new project managers and alternates by working with Projects and Grants & Contracts. Procurement is participating in a pilot program with Sponsored Projects for training of new project managers in this group.</p> <p>Other university training programs were researched and UTPA pilot training was developed. First contracts administrator pilot training workshop as conducted on June 28, 2006. Training was held in conjunction with Office of General Counsel and UT-Brownsville training workshop on UTPA campus.</p>	<p>Adoption of Certified Purchasing Manager certification for all purchasers requiring certification.</p> <p>Continuation and refinement of training for new project managers. Regularly scheduled training workshops are in place.</p> <p>Additional refinements in training workshop and scheduling are in process.</p>

Annual Action Plan June 1, 2006–May 31, 2007

University Goal:

Optimize institutional effectiveness and efficiency consistent with high quality organizational standards.

Division Objective:

Support ongoing improvement of information systems.

Unit Objective	Measurable Outcome for Unit Objective	Assessment Criteria, Evaluation Methods for Measurable Outcome	Assessment Results (Use actual data to describe annual performance)	Use of Results (What change was made?)
Enhance Oracle's procurement module functionality – Phase II. (2)	Progress toward closing gaps identified in Fit-Gap Analysis.	Close 100% of gaps identified in Fit-Gap-analysis conducted during Oracle implementation discovery phase by May 31, 2007.	Existing bid process functionality is nonexistent in Oracle's procurement module. Phase 2 implementation (I-procurement & p-card) is on hold pending funding.	No action taken - Phase 2 implementation is on hold pending funding.