

DEPARTMENT OF NATURAL RESOURCES

FISCAL SERVICES POLICY NO: 6

EFFECTIVE DATE: JUNE 15, 2015

SUBJECT: PROCUREMENT OF GOODS AND OPERATING SERVICES

AUTHORIZATION: STEPHEN CHUSTZ, SECRETARY

I. POLICY:

It is the policy of the Department of Natural Resources (DNR) to comply with all State Procurement laws and regulations, including, but not limited to:

- Louisiana Revised Statutes 39:1551, et. seq. is known as the Louisiana Procurement Code (Title 39, Chapter 17)
- Louisiana Administrative Code Purchasing Rules and Regulations (LAC 34, Part 1)
- Louisiana Revised Statutes 42:1101-1170 is known as the Louisiana Code of Ethics (Title 42, Chapter 15)

II. PURPOSE:

This policy provides guidance to ensure compliance with Division of Administration (DOA)/Office of State Procurement (OSP) policies and procedures for the procurement of DNR goods and/or operational services. Goods are defined as physical items, including but not limited to: supplies, merchandise, and materials. Operating services are defined as day-to-day business operating services, including but not limited to: copier maintenance service contracts, courier services, janitorial services, waste disposal services, and storage services agreements. Professional, personal, social services, and consulting services contracts are not considered operating services.

III. APPLICABILITY:

This procurement policy applies to all Offices of DNR, all DNR employees that are responsible for purchasing goods/operating services, and all DNR employees with procurement related job duties/functions.

IV. PROCEDURES:

Specific DNR personnel, within each Office of DNR, are assigned the responsibility for identifying when goods/operating services need to be purchased for their office (serves in the role of "Requisitioner") and for purchasing the goods/operating services from the vendor (serves in the role of "Purchaser"). Many times, but not always, a single individual is both the Requisitioner and the Purchaser for their office (defined in this policy as the "DNR Requisitioner/Purchaser") and these individuals are typically assigned the role of the "LaGov Buyer Basic" in the State of Louisiana LaGov Enterprise Resource Planning (ERP) system (State-wide system used for the procurement function).

When a purchase need is identified, the DNR Requisitioner/Purchaser determines whether the purchase qualifies as a DNR purchasing card (P-Card) purchase (defined as purchases of less than \$5,000 for which the vendor accepts credit card payments). If the purchase does qualify as a P-Card purchase, the DNR Requisitioner/Purchaser should obtain the required approvals (refer to the *DNR LaCarte Purchasing Card Program* Fiscal Services policy for procedural guidance relating to P-Card purchases).

If the purchase need is for a Consulting or Professional Services contract, the DNR Requisitioner/Purchaser should obtain the required approvals (refer to the DNR Fiscal Services Policy titled: *Procedures for Contracts and Grants*).

State Contract Goods Purchases:

If the planned purchase does not qualify as a P-Card purchase, the DNR Requisitioner/Purchaser should perform an online State Contracts search on the Division of Administration's State Procurement website (http://www.doa.louisiana.gov/osp/contracts_index.htm) to determine whether a State-wide contract exists for the item(s) or service(s) to be purchased.

For State contract purchases, the DNR Requisitioner/Purchaser (LaGov Buyer Basic) will input the procurement related information into the ERP LaGov system, thereby creating the shopping cart for the purchase. The required approvals for the shopping cart have been pre-established in the LaGov ERP system.

After the final approvals have been obtained, for purchases of \$5,000 or less, the ERP LaGov system will automatically convert the shopping cart into a purchase order. For purchases of more than \$5,000, the DNR Requisitioner/Purchaser (LaGov Buyer Basic) converts the shopping cart into a purchase order. When creating the purchase order, the ERP LaGov system defaults so that the "goods receipt/confirmation of performance of service" option is pre-selected for purchases of goods and operating services.

The DNR Requisitioner/Purchaser (LaGov Buyer Basic) or designated DNR Office staff sends the purchase order to the vendor, which triggers a release from the State contract.

Small Dollar Goods/Operating Services Purchases:

For small dollar purchases (defined as less than \$5,000) that do not qualify as a P-Card purchase, no competitive bids are required; however, DNR personnel are encouraged to perform a best value assessment of the purchased goods/operational services based on price, delivery, service, and any other related factors, prior to placing the order with the vendor.

The DNR Requisitioner/Purchaser (LaGov Buyer Basic) inputs the procurement related information into the LaGov ERP system and notifies DNR Fiscal Services personnel of all assets purchases of \$1,000 or more. DNR Fiscal Services personnel then create the asset inventory property record in LaGov.

As noted above, after the required LaGov approvals have been obtained, the system automatically converts the shopping cart into a purchase order. For the off-site operating services identified as not needing a goods receipt (for example: storage services, boat slip rentals), the DNR Requisitioner/Purchaser (LaGov Buyer Basic) will have to edit the purchase order so as to unselect the "goods receipt" option for these vendors. The DNR Requisitioner/Purchaser (LaGov Buyer Basic) or designated DNR Office staff will then send the purchase order to the vendor to place the order.

Confirmation purchase orders may only be created on an extraordinary basis for when goods must be quickly received and the standard purchasing process will cause an unacceptable delay.

Goods/Operating Services Greater Than \$5,000 Purchases:

For goods/operating services that are greater than \$5,000, the DNR Requisitioner (LaGov Buyer Basic) inputs the procurement related information into the LaGov ERP system and then enters a notification transmittal for the shopping cart into the PROACT system (separate State-wide logging system used to notify the OSP of pending shopping carts). For asset purchases of \$5,000 or more, the DNR Requisitioner/Purchaser selects the LaGov Capital Asset field, when completing the notification transmittal and, as with all assets costing \$1,000 or more, the DNR Requisitioner /Purchaser notifies DNR Fiscal Services personnel.

After the proper approvals have been obtained, OSP personnel bids the goods/operating services, in accordance with State procurement rules and regulations, places the order with the vendor, and then converts the shopping cart into a purchase order.

Receipt of Goods/Operating Services:

Goods are received either via the vendor delivering the goods to DNR or the goods are picked up at the vendor's place of business. Most operating services will require confirmation by DNR personnel (for example, copier maintenance services, typically contracted for a twelve month period, will be confirmed monthly to ensure that the contracted services continues to be provided by the vendor for the purchase order referenced copier equipment). Another individual at DNR, other than the DNR Requisitioner/Purchaser, is to receive the ordered goods or confirm the operating services.

After verifying that the goods received agrees with the packing slip/vendor documentation, the receiving individual is to sign and date the packing slip/vendor documentation and then input the goods receipt into the LaGov ERP system. If the second individual has not been set up in LaGov for this role, the signed receipt paperwork will be given to the DNR Requisitioner/Purchaser, who will input the goods receipt in the LaGov ERP system and retain the receipt paperwork for their office's files.

The DNR Fiscal Services – Administrative Program Specialist, responsible for property control, is to be notified of the receipt of property purchased for \$1,000 or more. The DNR Requisitioner/Purchaser must provide a copy of the purchase order used to purchase the asset, as well as the asset location and responsibility information for the asset. The DNR Fiscal Services – Administrative Program Specialist creates the inventory property record in the LaGov ERP system and places the property tag on the equipment. For property received at a DNR District Office, the DNR Fiscal Services – Administrative Program Specialist provides the tag to the DNR Requisitioner/Purchaser, who will be responsible for attaching the inventory tag to the equipment within one week of receipt of the inventory tag.

Goods/Operating Services Invoices:

All goods/operating services invoices are to be submitted, by the vendor, directly to DNR Fiscal Services – Accounts Payable section.

Upon initial receipt of the vendor invoices, Accounts Payable personnel are to identify all invoices for less than \$5,000 and then determine whether the vendor should have been paid with a DNR P-Card. If the vendor invoice appears to be for a P-Card eligible purchase, Accounts Payable personnel will forward the invoice to the DNR personnel who originated the purchase, who will then be responsible for contacting the vendor to pay the invoice via a DNR P-Card. After the payment is made on the P-Card, the individual who originally created the shopping cart and purchase order must cancel both documents in the LaGov ERP system, which will release the encumbrance of funds.

All non-P-Card goods/operating services invoices are processed for payment in the LaGov ERP system. Accounts Payable personnel verifies that the vendor invoice agrees with the related purchase order and the goods receipt, and then inputs the invoice receipt in the LaGov ERP system to process the invoice transaction for payment. Discrepancies, between the vendor invoice and the purchase order/goods receipt are to be addressed with the appropriate DNR Requisitioner/Purchaser.

In accordance with the LAC, Title 34 Purchasing Rules and Regulations, after receipt and acceptance of order and receipt of valid invoice, payment is to be made within 30 days.

VI. RESPONSIBILITY:

It is the responsibility of each Assistant Secretary/Appointing Authority to assure compliance with the requirements of this policy.

VII. EXCLUSIONS:

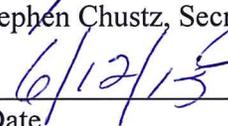
Exclusions to this policy include:

- Qualifying IT related equipment - refer to OTS Procurement Procedures located at this link: <http://www.doa.louisiana.gov/ots/procurement.htm>
- Printing - refer to OSP memo for procurement procedures with The Office of State Printing here: <http://www.doa.louisiana.gov/osp/agencycenter/memos//2015/OSP15-08.pdf>
- As defined by State policy executed by the Division of Administration
- No other exceptions to this policy without the express approval of the Secretary, and then only in accordance with law.

VIII. QUESTIONS:

Questions regarding this policy should be directed to the DNR Fiscal Services Administrative Services Program Director.



Stephen Chustz, Secretary


Date

Initial Issue Date: 06/15