

OREGON STATE HOSPITAL

PORTLAND – SALEM

POLICIES AND PROCEDURES

SECTION 4: Fiscal

POLICY: 4.018

Subject: Material Distribution Center (MDC)
Receiving and Inventory Control of
Services and Supplies

POINT RON BRINLEE

PERSON: MANAGER MATERIALS DISTRIBUTION CENTER

APPROVED: GREGORY P. ROBERTS
SUPERINTENDENT

DATE: June 25, 2012

I. POLICY

- A. The Material Distribution Center provides a centralized warehouse and distribution facility that allows staff to order general, janitorial, office, forms, medical, clothing, Bio-medical equipment, furniture, and furnishings to meet its department's, program's, and unit's needs.
- B. All purchases of all supplies and services must have appropriate prior approval.
- C. The inventory system shall provide adequate control to safeguard state property against unauthorized use or removal, shall assign responsibility for property management, and shall provide a basis for property risk management and insurances.

II. DEFINITIONS

- A. "Bio-medical Equipment" means any equipment used to assess the condition of the patient such as: spots vital machine, suction machine, defibrillator, IV machine, etc.
- B. "Dura-medical Equipment" means equipment used to aid a patient, such as: wheelchair, commode, medical bed, crutch, cane, etc.
- C. "Expendable or Consumable Property" means any item which costs less than \$1,000, has a life expectancy of less than two years, or is consumed upon use. Capital property means any item costing more than \$1,000 and having a life expectancy of two years or more.

- D. "Property" means any tangible, physical asset (including land) to which the Oregon State Hospital (OSH) obtains title or possession by virtue of purchase, lease, loan, gift, or other means of acquisition.
- E. "Property Control Office" means the individual or office responsible for maintaining property inventory records.
- F. "Physical Inventory" means the physical verification of all items listed on the property inventory records.
- G. "Personal Services Contract" means a contract required for any personal services, which call for specialized skills, knowledge and resources in the application of highly technical or scientific expertise, or the exercise of professional, artistic, or management discretion or judgement. Examples include nursing professionals, physicians, engineers, counselors, musicians, etc.
- H. "Purchase Order (PO)" means the contract form used by the Hospital Procurement Office to place orders with vendors/suppliers. Purchase orders have specifications, prices, standard terms and conditions, and special terms and conditions.
- I. "Request for Purchase (RFP)" means the Oregon State Hospital (OSH) form and process used by departments to submit orders for goods/services to the Hospital's Procurement Department.
- J. "SPOTS" stands for Small Purchase Order Transaction System. A SPOTS card is a VISA Corporate Purchase card used for small purchases in place of purchase orders.

III. PROCEDURES

A. Purchasing:

1. Supplies, Furniture, and Equipment, and Services and Training, etc.
 - a. Check the Warehouse Catalog. If the item(s) is available, then staff shall go to the electronic Material Request at I:\Publications\Warehouse\Operations 1 Stop shop.html to create and submit the form. Ordered supplies shall be delivered by the MDC staff on the designated delivery day for that department, program, or unit. Alternatively, staff may go to the MDC Warehouse and pick up the supplies.

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b. If the supplies needed are not an available stocked item, then staff shall submit a Request for Purchase (RFP) form OSH STK 10657,2/2008.

2. Open Purchase Orders

a. Total purchases made on Open Purchase Order shall not exceed \$100 per day per vendor. All combined purchases of \$100 or more require a Purchase Order.

b. Items purchased on Open Purchase Orders shall not include items available through resources at OSH, from OfficeMax, or on a Purchase Agreement.

c. Purchases on Open Purchase Orders shall be made only by staff designated as authorized to purchase and who have in their possession identification with such authorization.

d. It is the responsibility of the program manager or department head to insure that all staff making purchases are listed as authorized purchasers on Form No. 0088.

3. SPOTS Card

OSH SPOTS Cards holders are authorized to make approved purchases following DAS, OHA, and OSH policies for procuring stocked and non-stocked supplies and services up to the limit of their cards with prior approval from their managers.

4. Online Purchasing

Facilities, Food Services, MDC, and Procurement Services staff may procure stocked and non-stocked supplies and services online and through Advanced Purchasing and Inventory Control System (ADPICS).

5. Services

a. Repairs of any small equipment not on lease or on a maintenance agreement require an authorized RFP sent to Procurement Services and a MDDC Warehouse Services Work Order Request Form (available on the I:drive) to have the items picked up.

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- b. Computer and printer issues shall be called into the Service Desk to contact the Computer Support Services Department.
- c. Some equipment is on lease or on a maintenance agreement.
 - i. Staff in a department with leased equipment such as copiers, fax machines, medical equipment, postage machines, etc. shall call Procurement Services for instructions.
 - ii. Service on other equipment requires an RFP sent to Procurement Services. Procurement shall research the request for warranty, and shall arrange for service.
- d. Professional services of any kind require a Personal Services Contract to be fully executed before the service can be performed. Note: The state cannot legally pay for these services before a contract is in place. If a program or department has a need of such services, they shall contact the Director of Operations or the Fiscal Manager.
- e. Bio-medical equipment shall be received at the MDC Warehouse by the Property Control person, when purchased. They shall prepare a Bio-Medical Enrollment Form. The item shall be tagged with a Bio-medical number sticker, after which the equipment shall be inspected and sent into service by the hospital's contracted Bio-medical vendor. After it is cleared for service, the hospital's property person shall deliver the equipment to the department or unit it was purchased for. Repairs on Bio-medical equipment shall require the department or unit to call the MDC Warehouse and submit an MDC Warehouse Service Work Request for repair.
- f. If Dura-medical equipment needs repair, staff shall call the MDC Warehouse and submit an MDC Warehouse Service Work Request form. If a loaner is needed, it shall be issued to the department or unit while repairs are being done.

B. MDC Receiving:

- 1. Items ordered on purchase orders, print orders, or SPOTS cards through Procurement services shall be delivered to MDC for verification, receiving, and delivery.

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- a. Purchases delivered to the MDC are received manually and electronically. In some cases there will be no electronic receiver; a hard copy must be signed and sent to the Business Office for payment. No payment shall be made without a signed electronic or hard copy receiver.
 - b. All Purchasing Department deliveries shall be opened and verified against the packing slip and the Purchase Order, except where the delivery is addressed to a patient. Patient parcels are logged into a Package Receipt book, and delivered the same day to Security.
2. SPOTS card purchases made by department and unit staff
- a. When staff make online or phone purchases with their SPOTS cards that will be delivered to the MDC, they shall notify the MDC via email of the shipment and include relevant information. This email becomes the receiver for MDC to verify items received. The items shall be delivered to the SPOTS Card holder, who is then responsible for verification, documentation and resolution of any discrepancies. Once items are delivered, the receiving staff shall legibly sign or print their name in the MDC logbook. The signed photocopy shall be retained by the MDC as verification of receipt. SPOTS card purchases are annually audited by Procurement Services.
3. A few goods or services are not delivered to the MDC. In these cases, the packing slip or a receiving copy of the Purchase Order must be signed by the recipient of the goods or services and sent to the Business Office before payment can be made.
- a. Pharmaceuticals are delivered directly to the Pharmacy. The Pharmacy Manager or designee shall conduct an inspection to assure that the packing slip agrees with the items ordered and actually received.
 - b. Dairy, vegetables and fresh food products are delivered directly to and inspected, received and accepted by a Food Service Manager or designee.
 - c. Lumber and nails are delivered directly to the Vocational Services Department, and are inspected, received, and accepted by the Assistant Director of Vocational Services Department or designee.

- d. Housekeeping purchases are delivered to the MDC Warehouse, and then delivered to the Housekeeping Department.
4. MDC Receiving/Inspection Procedure applies to all purchases including SPOTS received by MDC.
 - a. The MDC staff shall ensure the order is complete and received in good condition. A notation shall be made on the receiving copy as to the completeness and condition of the order. This notation shall be signed and dated by the person inspecting the delivery.
 - b. If there are discrepancies in count, condition, or kinds of items ordered, on Purchase Orders, print orders, or Office Max orders, MDC staff shall notify the vendor. If there are discrepancies in count, condition, or kinds of items ordered on SPOTS card, the SPOTS Card holder shall notify the vendor.
 - c. The receiving copy of the Purchase Order or Contract Release Order must be signed and sent to the Business Office, Accounts Payable Section.
 5. Expendable Property Assigned to Programs/Departments:
 - a. Expendable property, consumable or non-consumable, when delivered to a department, program, or unit, becomes the responsibility of the department, program, or unit head. All expendable property issued to programs/departments shall be charged to that department, program, or unit budget.
 - b. Expendable property delivered to a department, program, or unit by the MDC shall be signed for on a delivery receipt. One copy of the delivery receipt shall be retained by the program, department, or unit receiving the property; the second copy shall be retained by and filed in the MDC. The department, program, or unit is responsible for matching delivery slips with expense history on a monthly basis.
 - c. Program directors and department or unit heads who have responsibility for expendable property shall take all necessary steps to ensure property is not stolen or misused.

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C. Inventory:

1. Expendable properties or supplies ordered for stock and held for general issue shall be properly accounted for and recorded.
 - a. Expendable property stocked by the MDC shall be entered into the inventory system.
 - b. The entry shall include stock number, purchase order number, amount, and dollar value.
2. A physical inventory of expendable property in all departments and programs shall be conducted at least annually in all areas. The following is the inventory schedule and practice at OSH:
 - a. The MDC shall take annual physical inventory of all expendable properties in all areas.
 - b. The MDC staff and the Warehouse managers shall review the inventory for reasonableness and shall investigate and attempt to find the reason for major differences. A year-end physical inventory shall be conducted in all warehouses and be submitted to the Business Manager and made available to the Chief Financial Officer by June 30.
3. Items stocked in the MDC are on perpetual inventory system are physically inventoried annually by June 30 with periodic cycle counts between inventories. A report outlining discrepancies over \$500.00 shall be submitted to the Director of Operations with an explanation for the discrepancy.

D. Perpetual Inventory:

Perpetual inventory records for stocks in the MDC and Food Service shall reflect:

1. Quantity on hand. Quantities shall be confirmed by physical inventories. Discrepancies shall be investigated to preclude further discrepancies.
2. Quantity received. Averaged invoiced price, vendor, and date of receipt must be shown.
3. Quantities issued. Each issue must be recorded showing date, requisition number, quantity, and to which program/department and account number issued.

4. The inventory records shall be kept up-to-date. No items shall be removed - or received except on an approved requisition, a copy of which shall be on file.

E. Missing, Spoiled, or Stolen Property:

1. Non-MDC property:

Department, program, or unit heads shall report lost or stolen property to the Security Department, who shall:

- a. Question witnesses to try to determine cause of loss.
- b. Notify Superintendent of the loss.
- c. Submit a written report to the Director of Operations, Manager of Fiscal Services, and the Chief Financial Officer giving details of action taken and disposition.

2. MDC property:

- a. When warehoused supplies and property are found to be missing or spoiled, the MDC Manager shall investigate and write a report to the Operations Director and Chief Financial Officer.
- b. Nothing over \$500.00 property value shall be written off the inventory without sending notification via email to the Director of Operations.

IV. REFERENCES

OAR 125

Replaces OSH Policy and Procedure 4.014, *Purchasing, Receiving and Inventory Control of Services and Supplies*, dated 10/10/2006.