June 5, 2023

Jessica Cattelino, Chair
Academic Senate

Re: Campus Procurement Issues

Dear Chair Cattelino,

Over the course of this academic year, the Council on Planning and Budget (CPB) has worked to address ongoing faculty concerns regarding purchasing delays and other challenges in our procurement system. At its meetings on December 5, 2022, March 20, 2023, and May 15, 2023, CPB engaged with UCLA Chief Procurement Officer O.T. Wells. Associate Vice Chancellor and Chief Information Officer Lucy Avetisyan joined our discussion on May 15, 2023. Council members are grateful to CPO Wells, CIO Avetisyan, as well as to IVC/CFO Baird-James for participating in discussions of these issues throughout the 2022-23 year.

Members have worked to engage with administration, and to understand upcoming system updates and policy changes that would potentially enable faster and more effective processing of requests. At the start of year, CPB heard about the new purchasing system and improvements that would roll out in April 2023. Regrettably, this deadline has passed without significant improvement in our systems, and faculty across campus have voiced growing frustrations with the process for purchasing tools and resources necessary to carry out our teaching and research work. There have been no substantial changes to the processes that continue to disrupt the faculty's ability to fulfill UCLA's academic mission.

We believe that leadership in the Purchasing and Accounts Payable Office, and the larger Business and Finance Solutions area, are well intentioned and have been trying to remedy the situation. We recognize that there are several factors that have contributed to the persistence of these problems, including the fact that staff in charge are relatively new to UCLA, the offices are short-handed, some staff are working remotely, and we have antiquated business systems, among other challenges. It is also important to note that the finance area is under interim leadership, which constrains the ability to impose major changes on the organization. It is our belief, however, that this situation simply cannot be allowed to persist. Campus leadership simply must prioritize fixing our procurement system, and take whatever actions are necessary to remedy the situation quickly.

CPB has four recommendations that we would like for the Executive Board to endorse and convey to campus leadership for immediate action:

1) There needs to be a firm timeline for system improvements. Deadlines for implementation of solutions have come and gone, the problems persist, and there appear to have been no consequences resulting from the failure to address these problems. There simply is no reason that is good enough for persistent inaction. We ask that campus leadership devote adequate resources to solving the problem and empower finance leadership to take whatever actions may be necessary to change the procurement organization.

2) Immediate action should be taken to loosen unnecessary restrictions on the ability of faculty and administrators to make routine purchases. It has been challenging for staff and faculty to do their work because systems and processes often work against and not for them. We appreciate the fact that some administrative controls on procurement are necessary, both to prevent fraud and waste and to comply with OP policy. Nevertheless, UCLA systems and workflows commonly are set up without taking the end user into consideration and place more burdensome requirements on faculty and staff than most other universities, including others in the UC system.

   For example, pivotal software and data purchases are being delayed or denied by unnecessary barriers in the purchasing and administrative security screening process. The same can be said for many areas besides software acquisition. UCLA requires an extensive Third-Party Risk Management (TPRM) process in the review of any IT related item that is purchased. Other UCs including Berkeley trust the faculty in their determination of whether or not they will be using P3 or P4 data in their requests. They offer their IT personnel to consult, if necessary, on possible risks. UCLA processes require faculty to wait months to even be able to look at possible datasets or test out software that may be useful in their research, which is extremely problematic for those who want to complete and disseminate research in a timely way to maximize impact in their field.

   Even though the current processes may appear to work in that some faculty use approved vendors and go through the mandated process, many faculty simply bypass these processes rendering them ineffective. In reality, many faculty use personal funds to buy software rather than risk major disruptions to their work. UCLA's onerous processes have created a sort of "black market" of software and data purchases where faculty use their own funds so that they can continue their research. UCLA has limited knowledge of these purchases and any risks they may pose to the university.

3) The administration should facilitate the process whereby departments, faculty, and staff can acquire and use purchasing cards (P-cards). P-cards make it easy to place routine orders, but their use remains restricted, and many administrators are unaware of how they can obtain one for their department. Among those administrators that have been issued P-cards, they complain that there are unnecessary restrictions on their use. Making these cards more widely available and more flexible to use could relieve considerable pressure on the procurement process.

We specifically recommend that the administration consider expanding the use of P-cards to allow for purchase of software and data sources without extreme delays in the exception process. We also recommend the consideration of establishing department cards with larger limits for items under purchasing's requisition threshold but over the normal individual amount.

4) The administration should prioritize the establishment of streamlined processes for procuring outside services and obtaining independent contractors. Services from copy editors, research assistants, and many other vendors and independent contractors are delayed significantly when being hired by UCLA. The timeframe for establishing these relationships currently is roughly three months, and even that timeline is dependent upon the vendor or independent contractor being able to understand our process and interact with UCLA's payment system. These outside vendors often are a vital part of faculty research and publications. Some of these have to be international in order to source foreign data housed in archives and other sources not available domestically. Many vendors try and then are unwilling to proceed through the process because it is so complex and time consuming.
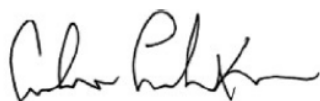
We recommend that the administration allow departments to register vendors and independent contractors via payment works. This would overcome the problem of vendors not being willing to work with UCLA because they cannot afford the uncompensated time to enroll in the system. To the extent that registration work must be done centrally, we recommend that campus hire staff with domain-specific expertise in sufficient numbers to review these requests quickly. We also recommend that the process be re-evaluated and designed in such a way as to require fewer touch points with staff. UCLA is in a time of budget cuts and should be reducing rather than increasing staff-intensive processes that do not directly contribute to its academic mission.

Members of the Council, as well as faculty and staff more broadly, have many more recommendations of how the procurement system could be improved. The four steps detailed above will help address some of the most pressing problems and relieve some pressure, but they will not fix the system. The administration needs to consult broadly with faculty and staff about the nature of their work and the barriers they encounter before and while designing long-term solutions to these problems. Consultation could take the form of user surveys, focus groups, and other means of gathering broad input. We are concerned that without such consultation, any solutions are likely to miss the mark in terms of process improvement.

We ask that you convey these recommendations to campus leadership with a request for immediate action.

If you have any questions for us, please do not hesitate to contact me at afl@ucla.edu or via the Council's analyst, Elizabeth Feller, at efeller@senate.ucla.edu.

Best regards,

Andrew Leuchter, Chair
Council on Planning and Budget

cc: Andrea Kasko, Vice Chair/Chair-Elect, Academic Senate
   Shane White, Immediate Past Chair, Academic Senate
   April de Stefano, Executive Director, Academic Senate
   Elizabeth Feller, Associate Director, Academic Senate
   Members of the Council on Planning and Budget