

DHS-PB-2021-005

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| SUBJECT: Inventory Management | APPLICABLE TO: DHS Warehouse and Store Rooms | ISSUED: April 8, 2021 |
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| ADMINISTERED BY: Support Services – Material Acquisition and Warehouse | APPROVED BY: Joslyn Carter, Administrator Department of Social Services/ Department of Homeless Services |
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I. INTRODUCTION

The purpose of this procedure is to delineate the methodology that the Department of Homeless Services (DHS) uses to manage its inventory. This procedure codifies that methodology and is consistent with the Department of Citywide Administrative Services (DCAS) Citywide Inventory Management Policy (CIM).

Section 823 of the New York City Charter dictates that the Commissioner of the Department of Citywide Administrative Services shall oversee the establishment of efficient and economical systems of stores control in other city agencies and review the operations of such storehouses, to assure their efficient and economical management.

II. WAREHOUSE OPERATIONS

The DHS Warehouse stores over 5,000 inventory items and supplies material to more than 120 trade staff, 10 DHS-run shelters, and 600 provider sites, among other entities.

The Warehouse Unit replenishes its inventory items by submitting requests to the Material Acquisition unit, which purchases them. The Warehouse Unit uses the Materials Acquisition and Purchase Log database, which interfaces with Enterprise Asset Management (EAM) (a computerized inventory management system), as well as several customized computer programs, to record and track inventory activity. These computer programs were developed in-house for the exclusive use of the Warehouse.

1. Purchasing Warehouse Inventory

- a. **Purchases Needed Report** – At least once a week, the Warehouse Supervisor logs on the Purchase Order Log tracking system at <http://dhs01iisoit:8383/> and prints out the **Purchases Needed Report (Attachment A)** in EAM, which identifies each item by number, description, and reorder point, as well as the reorder amount required.

- b. **Requests to Purchase Materials** – The Warehouse Supervisor logs on to the Materials Acquisition and Purchase Log database periodically; and using **Attachment A** as a reference, requests the items needed by entering them in the Purchase Order Log Tracking System, one of the menus within the Materials Acquisition and Purchase Log database. When the amount of an item is depleted to a 3-month supply, an 18-month average is utilized in determining the quantity of each item to be ordered. An order is then placed for a 6-month supply. The Warehouse storehouse has ample capacity to store a 6-month supply of all items. The burn rate for some items is affected by seasonal differences. For example, there are more requests for blankets in cooler months than in warmer months. Therefore, even though blankets may be depleted to a 3-month supply in May, their ordering can be pushed back to July.

The process is monitored by the Agency Inventory Management Representative who is the Associate Commissioner for Support Services.

- c. **Annual Stock Check** At least once a year, the Associate Commissioner of Support Services or the Director of Acquisition and Warehouse Operations conducts a review of a sample of the Warehouse inventory, to identify items that **may need** restocking or relinquishment, in accordance with the DHS policy on Opening and Closing Shelters (Record Management, Salvage Relinquishment). By so doing, DHS can address Warehouse inventory across various categories on a rolling cycle.

2. Receiving Deliveries (Items Purchased by the Procurement Unit)

When a delivery is received at the loading dock, Warehouse staff inspect it to ascertain whether it contains the correct items; whether any items are damaged; and, whether it contains all the items (i.e., a complete order) or only some of the items (i.e., a partial order).

a. **Receiving Non-Requirement Contract Items**

Upon receipt of a delivery, the Material Coordinator reviews the contents in conjunction with Warehouse staff, to ensure that everything was received. The Material Coordinator completes the **Receiving Report (23 BS-3)** by matching items received against the reference/006 (a printout of what was requested). Copies are made of the **23 BS-3** and the reference/006. The **23 BS-3** and the reference/006 are sent to the Invoice Unit. A copy of the **23 BS-3** and the reference/006 are placed in the traveling folder, which is sent to the Research Assistant to data enter in EAM. If it is discovered that a delivery contains incorrect items, damaged items, or only a partial order, Warehouse staff contact the vendor to address the issue. The Warehouse Supervisor ensures the efficacy of this process.

b. **Receiving Requirement Contract Items**

Upon receipt of a delivery, the Material Coordinator reviews the contents in conjunction with Warehouse staff, to ensure that everything was received. The Material Coordinator contacts the DCAS Material Inspection Liaison, and requests they come to inspect the items received. Typically, this occurs in 2 or 3 days. The Material Coordinator and the DCAS Material Inspection Liaison conduct the inspection together. The Material Coordinator completes the **23 BS-3** by matching items received against the reference/006 (a printout of what was requested). Copies are made of the **23 BS-3** and the reference/006. The **23 BS-3** and the reference/006 are sent to the Invoice Unit. A copy of the **23 BS-3** and the reference/006 are placed in the traveling folder, which is sent to the Research Assistant to data enter in EAM.

c. **Storage**

As items are received, they are assigned to specific bin locations in the storehouse. Each item is assigned a bin number and stored in the designated area. For example, construction material, appliances, office cleaning supplies, and personal protective equipment have designated specific locations in the storehouse. All areas are secured by locked gates, that only designated staff have access to, as granted by the Director of Warehouse Operations. Items that highly valuable/vulnerable to theft (e.g., a professional electric drill) are secured separately in a cage that only the Director of Acquisition and Warehouse Operations and the Warehouse Supervisor has access to. Their disbursement is recorded in EAM.

d. **Relinquishment**

Relinquishment of items is executed in consultation and coordination with the Salvage Officer, who is the Executive Director of Administrative Support Services. The Agency follows the DHS standards for relinquishment, as noted in the DHS policy on Opening and Closing Shelters (Record Management, Salvage Relinquishment). All relinquishment requests must include the following:

- Item Type
- Condition
- Quantity
- Method of Relinquishment.

3. **Requesting Items from the Warehouse**

Warehouse staff receive requests for materials from individuals authorized by Programs/Providers and Trade Staff to make such requests using the **Material – Withdrawal/Return - Form - (003) (DHS-80)**. These two groups submit their requests in different ways.

- a. **Programs/Providers** – This group submits material requests via email, by scanning the **DHS-80**, and emailing it to the DHS Material Request email box – MATERIALREQUESTT@DHS.NYC.GOV. This email box is monitored by the Warehouse Supervisor. Each of the DHS directly-run shelters have a schedule for submitting supply requests. Some submit requests monthly, while others submit requests bi-weekly. Emergency requests are filled on an as-needed basis. The Director of Acquisition and Warehouse Operations and/or Warehouse Supervisor receives email requests for supplies needed in the opening of new sites, which typically consist of beds and appliances. Each scanned and emailed **DHS-80** is printed out and processed. Warehouse staff pull requested items from storage and load them for shipment to Programs/Providers.

- b. **Trade Staff** – This group, who make repairs to shelters and other facilities, assess the scope of work, to determine what materials are needed. Sometimes, an in-house Building Superintendent submits a work order to Trade Staff, detailing the scope of the work. Trade Staff use that work order in completing a **DHS-80**, to request the requisite materials. Either way, Trade Staff submit a **DHS-80** to their Regional Supervisor of Mechanics (SOM) for approval. Once the SOM approves a **DHS-80**, they submit it to the Warehouse. Upon receipt of an approved **DHS-80**, Warehouse staff pull the materials from storage, and arrange for their shipment to/pickup by Trade Staff.

4. **Enterprise Asset Management (EAM)**

The Enterprise Asset Management (EAM) system enables the electronic tracking of inventory, by monitoring Warehouse inventory activity, including requests for materials, work orders, requisitions, purchase orders, receivables, and withdrawals of inventory items. EAM follows the process from material request to order fulfillment.

- a. Only staff authorized by the Director of Acquisition and Warehouse Operations can access EAM.
- b. EAM provides inventory control by:
- Verifying and authorizing orders of items prior to their release; and
 - Maintaining a record of inventory levels that can be periodically reconciled against physical inventory records; and
 - Capturing all inventory activity in and out of the system, including the association of each item with a work order number; and
 - Maintaining data points for managing inventory, in order to identify patterns and thresholds for escalation or investigation; and
 - Enabling a periodic review of high-priced items against the database quantity on-hand, to reconcile the quantity of certain items.

5. **Agency Audit Procedures**

The Agency contracts with an independent auditor to conduct an annual inventory. The annual inventory is conducted over a **1-week** period at storage locations.

- a. The Warehouse is closed for the week of the annual inventory and a few days afterwards. The independent auditor counts all the items in the Central Warehouse, documents their findings on an Inventory Slip (**DHS-79**) for each item, and records those counts in EAM. Two counts are conducted by different counters. If the two counts do not match, a third count is conducted, followed by a stock reconciliation.
- b. The stock reconciliation of an item is noted on the **DHS-79**, as well as in EAM, using the third count number. An entry with the date is made on the **DHS-79** and in EAM, indicating that the quantity of the item was reconciled as result of the inventory count.

6. Warehouse Security

The Warehouse has a security camera system. Cameras are strategically located throughout the Warehouse, including the storehouse, the entry, the hallways, and the parking lot; capture all comings and goings; and, act as a deterrent. Additionally, items that are highly valuable/vulnerable to theft (e.g., a professional electric drill) are secured separately in a cage that only the Director of Acquisition and Warehouse Operations and the Warehouse Supervisor has access to. Furthermore, on-site security is stationed at the Warehouse during regular business hours.

- a. The security camera system maintains a record of activity for 30 days. Footage can only be accessed by the Director of Acquisition and Warehouse Operations and Executive level staff.
- b. Only the Director of Acquisition and Warehouse Operations and the Warehouse Supervisor have access to the cages securing items deemed highly valuable/vulnerable.
- c. Security staff conduct regular patrols to ensure that no gates are unlocked; that no items are left unsecured; and that, no unauthorized individuals are in the storehouse area.

7. Recycling of expired items

Normally, items stocked by the Warehouse are distributed within the 3-month supply kept on hand. With the exception of batteries, the items stocked at the Warehouse do not have a shelf-life. If batteries expire and/or corrode, they are disposed of following the Department of Sanitation's Solid Waste Management Recycling Program for hazardous materials.

Effective Immediately

ATTACHMENTS:

| | |
|---------------------|--|
| Attachment A | Purchases Needed Report |
| 23 BS-3 | Receiving Report |
| DHS-79 | Inventory Slip |
| DHS-80 | Material – Withdrawal/Return – Form – (003C) |

Purchases Needed

| Item No. | Description | Class | Reorder Point | Reorder Amount | QOH | Balance Owed | PO Details |
|----------------------|----------------|-------|---------------|----------------|-----|--------------|------------------------------|
| 7009001001 CEN221 | TIME CARD, FMD | | 2 | 6 | 1 | 5 | 20151527644 (1) 3/13/2015 |
| 7009001001 CEN221 | TIME CARD, FMD | | 2 | 6 | 1 | 36 | 20181820031 (1) 7/21/2017 |

| Item No. | Description | Class | Reorder Point | Reorder Amount | QOH | Balance Owed | PO Details |
|-------------------------|---|-------|---------------|----------------|-----|--------------|------------|
| 1304000021 CAGE000 | LADDER, FIBERGLASS 20' EXT | | 0 | 0 | 0 | (0) | |
| 1304000215 PALLET017 | SIGN, NO SMOKING (PLASTIC) 1M362 W/ PICTURE GRAM | | 5 | 15 | 0 | (0) | |
| 1304000216 PALLET017 | SIGN, "NO SMOKING",SELF STICK,7"X7" (MSC 63370217) | C | 38 | 114 | 0 | (0) | |
| 1304000265 CAGE004 | COMBUSTION ANALYZER, KIT | | 0 | 0 | 0 | (0) | |
| 1304000385 CA4A | CHAIN, 1/4" (PAIL 140') | | 3 | 9 | 0 | (0) | |
| 1304000542 CEN209 | FIRST AID KITS, FOR ONE PERSON ^ | | 0 | 0 | 0 | (0) | |
| 1304000997 CEN322 | ORAL THERMOMETERS - DONATIONS | | 3 | 9 | 0 | (0) | |
| 1305000206 EL1E | RECEPT, DPLX 250V 20A 3W HUBBELL | | 1 | 3 | 0 | (0) | |
| 1305666028 PL009E | CHECK VALVE RING BRASS 1/2" | | 2 | 6 | 0 | (0) | |
| 1305666034 PL009E | CHECK VALVE SWING BRASS 1" | | 1 | 3 | 1 | (0) | |
| 1305777216 PALLET007 | HEX KEY SET (10PK) | | 0 | 0 | 0 | (0) | |

| Item No. | Description | Class | Reorder Point | Reorder Amount | QOH | Balance Owed | PO Details |
|------------------------|---|-------|---------------|----------------|-----|--------------|------------|
| 1409010323 PAINT013 | ROLLER SLEEVE - 7" COVER, 1/2" NAP PURDY WHITE DOVE | C | 19 | 57 | 0 | (0) | |
| 1409521764 PAINT013 | TAPE -HYDE JOINT FIBERGLASS 1-7/8" X 300" (PAINTER) | | 8 | 24 | 0 | (0) | |
| 1409561287 PV001 | ZINSSER (BIN) WHITE PRIMER OIL BASE 1 GAL (ODORLESS) | | 12 | 36 | 9 | (0) | |
| 1409746821 PAINT013 | POLE EXTENSION WOOSTER 2' TO 4' | | 1 | 3 | 2 | (0) | |

FMD

Filled out by: Stock handler/Housekeeper

Filled out by: Inventory Team

1st Count

Commodity Code _____

Quantity _____

Description _____

Unit of Purchase (*Check one*)

- | | | |
|---------------------------------|---------------------------------|---------------------------------|
| <input type="checkbox"/> each | <input type="checkbox"/> set | <input type="checkbox"/> pound |
| <input type="checkbox"/> can | <input type="checkbox"/> bundle | <input type="checkbox"/> length |
| <input type="checkbox"/> box | <input type="checkbox"/> dozen | <input type="checkbox"/> feet |
| <input type="checkbox"/> carton | <input type="checkbox"/> case | |

Signature

Location _____

Date

Floor, Room _____

SAMPLE

MATERIAL – WITHDRAWAL/RETURN – FORM – (003C) CONTROL # _____

DATE REQUESTED/RETURNED ____/____/____ W.O. _____ RECEIVED & VER. _____ DATE ____/____/____
 REQUESTED/RETURNED BY _____ TITLE _____ PICKED BY _____ DATE ____/____/____
 CONTACT PERSON _____ FLOOR _____ CHECKED BY _____ DATE ____/____/____
 JOB LOCATION _____ APPROVED BY _____ DATE ____/____/____

| 1 | Requested | Description | Issued | 6 | Requested | Description | Issued |
|---|-----------|--------------|----------|----|--------------|-------------|--------|
| | | | Returned | | Verified | | |
| | | NA - NS - NC | | | NA - NS - NC | | |
| 2 | Requested | Description | Issued | 7 | Requested | Description | Issued |
| | | | Returned | | Verified | | |
| | | NA - NS - NC | | | NA - NS - NC | | |
| 3 | Requested | Description | Issued | 8 | Requested | Description | Issued |
| | | | Returned | | Verified | | |
| | | NA - NS - NC | | | NA - NS - NC | | |
| 4 | Requested | Description | Issued | 9 | Requested | Description | Issued |
| | | | Returned | | Verified | | |
| | | NA - NS - NC | | | NA - NS - NC | | |
| 5 | Requested | Description | Issued | 10 | Requested | Description | Issued |
| | | | Returned | | Verified | | |
| | | NA - NS - NC | | | NA - NS - NC | | |

SAMPLE

RECEIVED BY _____ SIGNATURE _____ TITLE _____ DATE ____/____/____

MATERIAL – WITHDRAWAL/RETURN – FORM – (003C) CONTROL # _____

DATE REQUESTED/RETURNED ____/____/____ W.O. _____ RECEIVED & VER. _____ DATE ____/____/____
 REQUESTED/RETURNED BY _____ TITLE _____ PICKED BY _____ DATE ____/____/____
 CONTACT PERSON _____ FLOOR _____ CHECKED BY _____ DATE ____/____/____
 JOB LOCATION _____ APPROVED BY _____ DATE ____/____/____

| 1 | Requested | Description | Issued | 6 | Requested | Description | Issued |
|---|-----------|--------------|----------|----|-----------|--------------|--------|
| | | | Returned | | Verified | | |
| | | NA - NS - NC | | | | NA - NS - NC | |
| 2 | Requested | Description | Issued | 7 | Requested | Description | Issued |
| | | | Returned | | Verified | | |
| | | NA - NS - NC | | | | NA - NS - NC | |
| 3 | Requested | Description | Issued | 8 | Requested | Description | Issued |
| | | | Returned | | Verified | | |
| | | NA - NS - NC | | | | NA - NS - NC | |
| 4 | Requested | Description | Issued | 9 | Requested | Description | Issued |
| | | | Returned | | Verified | | |
| | | NA - NS - NC | | | | NA - NS - NC | |
| 5 | Requested | Description | Issued | 10 | Requested | Description | Issued |
| | | | Returned | | Verified | | |
| | | NA - NS - NC | | | | NA - NS - NC | |

SAMPLE

RECEIVED BY _____ SIGNATURE _____ TITLE _____ DATE ____/____/____

STOCKROOM

MATERIAL – WITHDRAWAL/RETURN – FORM – (003C) CONTROL # _____

DATE REQUESTED/RETURNED ____/____/____ W.O. _____ RECEIVED & VER. _____ DATE ____/____/____
 REQUESTED/RETURNED BY _____ TITLE _____ PICKED BY _____ DATE ____/____/____
 CONTACT PERSON _____ FLOOR _____ CHECKED BY _____ DATE ____/____/____
 JOB LOCATION _____ APPROVED BY _____ DATE ____/____/____

| 1 | Requested | Description | Issued | 6 | Requested | Description | Issued |
|---|-----------|--------------|----------|----|--------------|-------------|--------|
| | | | Returned | | Verified | | |
| | | NA - NS - NC | | | NA - NS - NC | | |
| 2 | Requested | Description | Issued | 7 | Requested | Description | Issued |
| | | | Returned | | Verified | | |
| | | NA - NS - NC | | | NA - NS - NC | | |
| 3 | Requested | Description | Issued | 8 | Requested | Description | Issued |
| | | | Returned | | Verified | | |
| | | NA - NS - NC | | | NA - NS - NC | | |
| 4 | Requested | Description | Issued | 9 | Requested | Description | Issued |
| | | | Returned | | Verified | | |
| | | NA - NS - NC | | | NA - NS - NC | | |
| 5 | Requested | Description | Issued | 10 | Requested | Description | Issued |
| | | | Returned | | Verified | | |
| | | NA - NS - NC | | | NA - NS - NC | | |

SAMPLE

RECEIVED BY _____ SIGNATURE _____ TITLE _____ DATE ____/____/____

MATERIAL – WITHDRAWAL/RETURN – FORM – (003C) CONTROL # _____

DATE REQUESTED/RETURNED ____/____/____ W.O. _____ RECEIVED & VER. _____ DATE ____/____/____
 REQUESTED/RETURNED BY _____ TITLE _____ PICKED BY _____ DATE ____/____/____
 CONTACT PERSON _____ FLOOR _____ CHECKED BY _____ DATE ____/____/____
 JOB LOCATION _____ APPROVED BY _____ DATE ____/____/____

| 1 | Requested | Description | Issued | 6 | Requested | Description | Issued |
|---|-----------|--------------|----------|----|-----------|--------------|--------|
| | | | Returned | | Verified | | |
| | | NA - NS - NC | | | | NA - NS - NC | |
| 2 | Requested | Description | Issued | 7 | Requested | Description | Issued |
| | | | Returned | | Verified | | |
| | | NA - NS - NC | | | | NA - NS - NC | |
| 3 | Requested | Description | Issued | 8 | Requested | Description | Issued |
| | | | Returned | | Verified | | |
| | | NA - NS - NC | | | | NA - NS - NC | |
| 4 | Requested | Description | Issued | 9 | Requested | Description | Issued |
| | | | Returned | | Verified | | |
| | | NA - NS - NC | | | | NA - NS - NC | |
| 5 | Requested | Description | Issued | 10 | Requested | Description | Issued |
| | | | Returned | | Verified | | |
| | | NA - NS - NC | | | | NA - NS - NC | |

SAMPLE

RECEIVED BY _____ SIGNATURE _____ TITLE _____ DATE ____/____/____

SECURITY