

PURCHASING POLICY

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PURCHASING POLICY

1. Purpose

The purpose of this document is to establish a uniform policy that governs the requirements for the commitment of Boston Children's Hospital ("BCH") funds, including contracts, purchase orders, recurring payments and non-purchase order requests. All such commitments involving BCH shall be received, approved, executed, managed and retained in accordance with this policy.

The Supply Chain Department has primary responsibility for review, negotiation and management of contracts such as equipment purchases and lease agreements, facility service agreements, group purchasing agreements, software agreements and other general purchase agents in the ordinary course of business.

2. Scope

This policy applies to clinical, operational, and research requests for the commitment of BCH funds to external suppliers and vendors. It covers all staff and personnel under the research, clinical and administrative departments of BCH. It does not apply to the Physicians' Organizations at BCH or the affiliated Foundations utilizing their own funds outside of PeopleSoft

3. General Instructions

3.1 Employee Responsibilities

To have read and fully understand the meaning of this policy, and to adhere to the policy and associated governance requirements.

3.2 Management Responsibilities

Responsible for the financial expenditure and review of monthly financial reporting. Will commit to approving only appropriate and legitimate financial transactions; maintain appropriate documentation for expenditures; periodically monitor approved transactions; and report improper transactions and violations of this policy.

Review this policy and the standards behind it with all employees before their first purchase request on behalf of BCH.

4. Purchase Methods

4.1 Purchase Order

All requests for goods and/or services which are detailed in the following list must be purchased using the PeopleSoft purchase requisitioning/purchase order process (ePro).

A purchase order must be used for the following categories of spend:

- capital purchases
- minor equipment (including computers, laptops, iPads)
- medical/surgical supplies
- equipment repairs and service

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- maintenance supplies
- pharmaceutical products not sourced through primary/secondary distribution
- office supplies
- forms
- advertising services
- service contracts
- food and perishable products ordered by and shipped directly to Food Services
- management consulting and professional service agreements (except physician services)
- no-charge product and equipment evaluations

Catering is an allowable expense under certain conditions, and requires prior approval from the office of the Chief Administrative Officer. The Chief Administrative Officer may modify this requirement from time to time.

All purchase orders, with the exception of “Bill Only” and emergency after-hours purchase orders, should be authorized, approved, and dispatched prior to the commitment of hospital funds. Purchase orders created after-the-fact for the purposes of paying invoices will be reviewed for their appropriateness. Violations of these requirements will be investigated and may give rise to disciplinary action(s), as further set forth in Section 10.

A purchase order shall be generated for the same term and expected spend as its associated contract or agreement. Annual purchase orders are appropriate only for those agreements that have a one-year term.

4.2 Non Purchase Order (formerly known as “check request”)

The following categories of spend are authorized via use of **Payment Request Center**.

- utilities
- rents
- insurance
- overnight mail shipping
- pharmaceutical products sourced through primary/secondary distribution
- legal fees
- magazines, newspapers and journals
- memberships
- temporary agencies (Nursing and non-clinical)
- taxes
- payroll and related items (excludes Agency temps)
- bank transfers
- MD Foundations

In some cases, to utilize a Non Purchase request additional documentation or authorization is also required. Please see attached Obligation Authorization Matrix (Appendix 12.2) for additional detail.

4.3 Non reimbursement of Massachusetts sales tax

Boston Children’s Hospital is exempt from Massachusetts sales tax, but employees are not. Therefore, employees who make purchases on behalf of the hospital with their own funds will not be reimbursed for the salestax.

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4.4 Expenditures excluded from this policy

Expenditures not covered by this Policy are the reimbursement of:

- Travel expenses [refer to Hospital Travel Policy], and
- Petty cash [refer to Petty cash Policy].

4.5 Invoices

Invoices for goods, supplies, equipment and services on purchase orders are to be submitted directly to the BCH Accounts Payable department and **MUST** include a valid BCH issued purchase order number. The Accounts Payable mailing address is:

Boston Children's Hospital
Finance Department
Attention: Accounts Payable
Mail Stop BCH3400
300 Longwood Avenue
Boston, MA 02115

Purchase order invoices with incorrect or missing information (e.g., purchase order number, invoice number, unapproved vendor, remit-to address) will result in a delayed payment, as additional time will need to be taken by the vendor and the BCH department-head/principal investigator who initiated the transaction to correct the problem.

For additional details please refer to the Frequently Asked Questions (FAQs) section of the Accounts Payable intranet site at the following link:

<http://web2.tch.harvard.edu/finance/mainpageS2601P26.html>.

It is the responsibility of the individual who provides the purchase order to the vendor (buyer/department-head/principal investigator) to ensure with their vendor that all invoices issued by the vendor reference the correct BCH purchase order number.

4.6 Purchase Order Amendments (Change Orders)

ePro requisitions with a status of "Pending" or "Denied" may be edited by an authorized user. Any changes to an "Approved" requisition must be processed through a Buyer in the Purchasing Department.

4.7 Rush and Emergency Orders

Supply Chain Management may authorize the use of rush or emergency orders for specific transactions.

These circumstances may include emergency supplies or extraordinary needs during non-business hours. A rush or emergency order transaction will be supported by an email, followed by an ePro requisition and/or an e-mail notification from the appropriate signatory.

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Supply Chain Management will monitor rush/emergency order use and reserves the right to reject a rush or emergency order.

Individual departments are prohibited from generating and providing purchase order numbers to vendors outside of the approved ePro process.

5. Authorization and Department Responsibility

5.1 Authorization

PeopleSoft electronic requisitions (ePro) are the method used to request purchase orders, and these requests are authorized via electronic funding approval workflow within PeopleSoft. Depending on the nature of the goods or service being requisitioned, the requisition may also require technical (or commodity) approval(s). Funding approval levels are governed by the Signature Authorization Policy (Appendix 12.2).

If exceptions to the standard terms and conditions are required, Supply Chain will negotiate these terms prior to final confirmation of the purchase order.

5.2 Departmental Responsibility

It is the responsibility of the department-head/principal investigator to verify that funds are available in the cost center or grant prior to approving a requisition.

It is the responsibility of the department requester to attach a copy of any quotes, contracts and/or agreements to the requisition before it is approved by the department head/principal investigator.

It is also the responsibility of the department-head/principal investigator to monitor their approved purchase orders to ensure that funds and/or product quantities have not been exhausted. If funds and/or product quantities have been exhausted, BCH Accounts Payable will be unable to pay invoices.

When the value of an existing purchase order has been depleted, yet the need for continued service remains, the department-head/principal investigator must approve additional funds to be added to the purchase order, or to authorize a new purchase order, as appropriate. It is the responsibility of the department-head/principal investigator to communicate the authorization of additional funding to the appropriate buyer in writing.

Violations of these requirements will be investigated and may give rise to disciplinary action(s), as further set forth in Section 10.

6. Vendors and Suppliers

6.1 Eligible Vendors

In accordance with the BCH New Vendor Policy prior to engaging the services and the release of any payment to a new vendor a New Vendor Profile form must be completed, submitted, and approved (Appendix 12.4).

It is the responsibility of the department-head/principal investigator to obtain from the vendor and suppliers the necessary documentation to complete a New Vendor Profile form including a W9. It is also the responsibility of the department-head/principal investigator to submit the New Vendor Profile form and W9 to set up the new vendor. These forms should not be submitted directly by the vendor.

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The Accounts Payable Department will verify that all new vendors:

- Comply with Internal Revenue Service (IRS) tax reporting requirements.
- Have not been suspended, sanctioned, or restricted from participating in any federal or state healthcare program.
- Are properly classified as a corporation, LLC, individual, sole proprietor, or employee.
- Conform to BCH's conflict of interest regulations.

The Supply Chain Department will verify that all new vendors:

- Have been reviewed for existing contractual arrangements, including potential cost impact.

6.2 Competitive Bidding

The utilization of competition as a primary commercial strategy is encouraged for all agreements, regardless of value. Supply Chain will attempt to secure at least three (3) competitive bids for all single item and service expenditures greater than \$50,000 or \$25,000 when Federal funds are involved, with the following exceptions. Note that when federal funds are involved, at least two (2) competitive bids will be sought for all single item and service expenditures greater than \$25,000 with the following exceptions:

- Supplies and services included in existing GPO contracts
- Supplies and services included in existing local contracts
- Lab services, sequencing, custom oligos, and primers purchased for research programs

The United States Office of Management and Budget (OMB) issued a set of regulations pertaining to the use of federal funds. **These guidelines specify their own competitive bidding and sole source expenditures.** See Appendix 12.5 for information regarding guidelines.

Requested exceptions to the competitive bidding procedure require written justification from the responsible Vice President and completion of the BCH Supply Chain Management Sole-Source Justification Form (Appendix 12.6 and Appendix 12.7 for Federal funds), although frequent purchases of highly specialized items (same vendor and same item) will only require completion of the Sole-Source Justification Form once per year.

Supply Chain shall coordinate bids for capital purchases greater than \$50,000. Pre-negotiated quotes for capital presented for purchase without the involvement of Supply Chain shall be rejected. All capital requests in excess of \$250,000 shall be supported by quotes coordinated and secured by the Purchasing department.

Negotiations for service contracts associated with capital acquisitions shall be conducted separately from the negotiations for the acquisition of capital equipment.

6.3 Commitments to Vendors and Suppliers

Only those authorized by the Supply Chain Department may enter into commitments for goods and/or services with external vendors and suppliers on behalf of BCH. Commitments shall be only made through a signed agreement transmitted to a supplier or a properly authorized purchase order issued to a supplier.

Commitment through letters of intent and any verbal commitments to a supplier will not be recognized and

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are strictly prohibited.

The purchase of expendable or capital supplies outside of the normal purchasing process is prohibited.

6.4 Tax Exempt Status

BCH is a tax-exempt institution. Any Massachusetts sales tax listed on a requisition or supplier quotation will not be paid. The tax exemption forms can be found via the following link:

<http://web2.tch.harvard.edu/osp/Documents/ST-2%20%20renewal%20letter%20CHB%20expires%202019.pdf>

7. Payment Methods

7.1 Vendor Compliance and Payment Terms

To ensure that BCH meets the legal requirements of our contractual arrangement with our vendors, vendors are advised of the BCH procurement and payment process upon initial approval/activation and periodically as these processes are modified. Vendor compliance with these conditions ensures a standardized and prompt process for the ordering and payment of goods and services provided to BCH.

- It is an ongoing requirement that all invoices associated with purchase orders that our vendors provide to BCH must list a BCH generated purchase order number (e.g. GENFD0000123456). Invoices without a purchase order Number will result in delayed payment, as additional time will be needed by BCH to correct the problem. BCH highly recommends that vendors require their sales team to ask for purchase order numbers from BCH at the time of taking orders.
- Payment terms are set at the BCH enterprise standard of 30 days from date of invoice however may vary on a vendor by vendor basis and are subject to method of payment.

8. Purchasing requirement

8.1 Return of Goods

Any non-pharmacy item being returned to the supplier for credit or replacement must be coordinated through Supply Chain Management in order to ensure that proper return and credit procedures are followed. Failure to coordinate a return through Supply Chain Management will result in a delay in the credit being recorded to the department/grant funds. Pharmacy returns are coordinated through the Pharmacy.

Suppliers are prohibited from delivering replacement orders directly to the end-user.

All goods shall be routed through Receiving. End-users should contact their Department's Buyer to request assistance in coordinating Return of Goods.

9. Purchase Order Close Out

Supply Chain will review the open purchase order report on a weekly basis. Open items that are past the expected delivery date will be expedited and the purchase order updated.

10. Ethical Standards

All employees are expected to interact with external vendors and suppliers in a manner consistent with the ethical business practices set forth in the Code of Conduct and BCH's Conflict of Interest Policy.

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Failure to comply with this policy is a breach of BCH's Code of Conduct and will be investigated. Action will be taken to ensure inappropriate usage does not continue, up to and including termination.

11. Monitoring Plan

Internal Audit serves as an independent resource for monitoring internal controls, with primary responsibilities including internal audit, oversight and advisory services. In addition, the Financial Reporting Department works with external auditors to coordinate audit activities. Internal Audit has full, free, and unrestricted access to all accounts payable information, documents, records and personnel in conjunction with audit activities and is responsible for conducting operational and financial internal audits and evaluations of BCH's system of internal controls. Internal and External audits shall include assessments of the reliability of financial information, compliance with this and other BCH policies and procedures, compliance with laws and regulations, safeguarding of assets, and the effectiveness and efficiency of operations.

Appendix

12.1. Obligation Authorization Matrix

Type of Expenditure	Form(s) to be used	Comments	Requisitioner	Dollar Threshold	Required Approval for ePro #
Capital Expenditures: All construction, renovation, office and clinical equipment. Examples: Furnishings, workstations, software, CT scanners, etc.	Purchase Requisition, plus Capital Budget Release Form for requests more than \$250,000 (see Finance section of CHB website)*. Contingency and/or substitute items also require prior approval by COO and Finance.	All forms of payment are included (direct purchase, operating lease, capital or financing lease, debt, and usage agreements such as reagents). May require legal review and consultation with Supply Chain Director.	The Manager of the requesting Department must approve each PeopleSoft requisition.	Thresholds are calculated for individual items with a value of at least \$5000 and a useful life of at least three (3) years.	0 - \$10,000 Manager \$10,000 - \$49,999 Director \$50,000+ Vice-President (or designee), plus Supply Chain Director (or designee) \$1,000,000 and over Finance Committee of the CHB Board * > \$250,000 also require approval from ECOP, Physician Peer Review Committee or the
Minor Equipment: All construction, renovation office and clinical equipment valued under \$5,000. Examples: Furnishings, software, carts, thermometers, etc.	Purchase Requisition	All forms of payment are included (direct purchase, operating lease, capital or financing lease, debt, and usage agreements such as reagents). May require legal review and consultation with Supply Chain Director.	The Manager of the requesting Department must approve each PeopleSoft requisition.	Items with a value of less than \$5000, a useful life of less than three (3) years, but not a disposable item.	0 - \$10,000 Manager \$10,000 - \$49,999 Director \$50,000+ Vice-President (or designee), plus Supply Chain Director (or designee)
Non-stock items: Examples: gloves, catheters, office supplies, maintenance supplies, etc.	Purchase Requisition	Includes medical and non-medical supplies and blanket or standing PO items.	The Manager of the requesting Department must approve each PeopleSoft requisition.	Thresholds are based on total value of the requisition.	0 - \$10,000 Manager \$10,000 - \$49,999 Director \$50,000+ Vice-President (or designee), plus Supply Chain Director (or designee)
Stock items: Examples: Valuelink supplies, Stat Room and other inventoried products.	Purchase Requisition		No approval is necessary for stock items. Note: Approval will be required if combined with a non-stock item(s) on a PeopleSoft requisition.	N/A	N/A

- Approval levels displayed for GENFD only; IDEFD and RSTFD require only a single approval

Type of Expenditure	Form(s) to be used	Comments	Requisitioner	Dollar Threshold	Required Approval for ePro #
Maintenance Services Contracts: Examples: Repair and PM Agreements for CT Scanners, copiers, software maintenance, etc.	Purchase Requisition	Includes medical and non-medical equipment. May require Legal review and consultation with Supply Chain Director.	The Manager of the requesting Department must approve each PeopleSoft requisition.	Thresholds are calculated based on 12 month period.	0 - \$10,000 Manager \$10,000 - \$49,999 Director \$50,000+ Vice-President (or designee), plus Supply Chain Director (or designee)
Repair and Maintenance not Under Contract: Examples: time and materials repairs, break/fix, etc.	Purchase Requisition	Includes medical and non-medical equipment. May require Legal review and consultation with Supply Chain Director.	The Manager of the requesting Department must approve each PeopleSoft requisition.	Thresholds are based on the total value of the requisition.	0 - \$10,000 Manager \$10,000 - \$49,999 Director \$50,000+ Vice-President (or designee), plus Supply Chain Director (or designee)
Management & Professional Service Agreements except Legal and Physician contracts: Examples: Auditors, consultants, housekeeping services, temporary staffing, etc.	Purchase Requisition	Includes medical and non-medical services. May require Legal review and consultation with Supply Chain Director.	The Manager of the requesting Department must approve each PeopleSoft requisition.	Thresholds are calculated based on 12 month period.	0 - \$10,000 Manager \$10,000 - \$49,999 Director \$50,000+ Vice-President (or designee), plus Supply Chain Director (or designee)
Legal Professional Services Agreements: Examples: Arbitrators, speciality litigators, other legal fees, etc.	Payment Request Center	Legal review required prior to signing			0 - \$10,000 Manager \$10,000 - \$49,999 Director \$50,000+ Vice-President (or design)

- Approval levels displayed for GENFD only; IDEFD and RSTFD require only a single approval

Type of Expenditure	Form(s) to be used	Comments	Requisitioner	Dollar Threshold	Required Approval for ePro #
Physician Professional Services Agreements: Examples: Locom tenens, pathologists, etc.	Payment Request Center	Legal review required prior to signing			Vice-President (or designee)
Professional Fees not covered by a Professional Services Contract: Examples: Bank fees, accounting fees, collection fees, payroll and related items, etc.	Payment Request Center				0 - \$10,000 Manager \$10,000 - \$49,999 Director \$50,000+ Vice-President (or designee)
Real Estate: Examples: Property purchases and leases, etc.	Payment Request Center	Legal review required prior to signing			0 - \$10,000 Manager \$10,000 - \$49,999 Director \$50,000+ Vice-President (or designee)
Other non-PO expenditures: Taxes, utilities, insurance, financing, direct Pharmacy purchases, direct overnight shipping, periodicals, advertising, MD Foundations	Payment Request Center				0 - \$10,000 Manager \$10,000 - \$49,999 Director \$50,000+ Vice-President (or designee)

- Approval levels displayed for GENFD only; IDEFD and RSTFD require only a single approval

12.2. Signature Authorization Table

		
Boston Children's Hospital: Signature Authorization Policy		
First Published:	Updated:	Effective Date:

1. Purpose

To define and standardize the approval levels required for the authorization of capital and operating purchase requisitions and Non Purchase order requests, and contract documents.

2. Non-purchase order requests and Purchase Requisitions

All purchase requisitions (ePro) and non-purchase order requests (paper form) require proper authorization, as detailed below:

<= \$10,000	..... Manager
\$10,000 to \$49,999	..... Director
\$50,000 +	..... Vice-President (or designee)

In rare cases, it is understood that individuals below a Manager level might need to be delegated approval authority. These rare exception requests will be reviewed and approved by Finance prior to granting approval authority.

Grants and special funds (starting with 7, 8 and 9) must be approved by the designated approver for that grant or fund.

3. Contract Documents

The department submitting the contract proposal shall give authorization to pursue negotiation of legal and business terms according to the following cost structure:

<= \$10,000	..... Manager
\$10,000 to \$49,999	..... Director
\$50,000 +	..... Vice-President (or designee)

The following individuals are authorized to sign contracts on behalf of Boston Children’s Hospital.

< \$250,000	..... Appropriate Vice-President
\$250,000 to \$499,999	..... CFO
\$500,000 to \$1,000,000	..... COO or CEO
\$1,000,000 and over (non-recurring)	..... Finance Committee of the CHB Board

12.3. New Vendor Policy



New Vendor Policy

The Boston Children's Hospital (BCH) policy and procedures requires that a New Vendor Profile form be completed, submitted, and approved prior to engaging the services of a vendor that is new to the Hospital.

Purpose

Through this policy, BCH will verify that all new vendors:

- Comply with Internal Revenue Service (IRS) tax reporting requirements.
- Have not been suspended, sanctioned, or restricted from participating in any federal or state healthcare program.
- Are properly classified as a corporation, LLC, individual, sole proprietor, or employee.
- Have been reviewed for existing contractual arrangements, including potential cost impact.
- Conform to BCH's conflict of interest regulations.

Note: Employees will be added and approved to the Vendor Master File for purposes of expense reimbursement by Accounts Payable Department Manager of Disbursements and do not require a New Vendor Profile Form.

If you have a question on this policy, please contact Financial Reporting at 857-218-3334/3336/3343.

Scope

This policy requires the completion and approval of a New Vendor Profile Form and that the vendor provides a W9 prior to a vendor being permitted to conduct business with BCH. This requirement applies to new vendors as well as for the re-activation of inactive vendors for purposes of:

- Purchase Orders
- Non Purchase Requests

Process Overview

If the requisitioning department finds that a vendor of interest is not listed as an active BCH vendor, it should complete a New Vendor Profile Form prior to engaging the services of that vendor. The profile form is located at:

<https://apps.childrenshospital.org/connect/supplychain/>

Please refer to the Children's Intranet for a listing of active vendors in PeopleSoft as follows:

http://chbcfapps.tch.harvard.edu/cfapps/erp/vendor_search.cfm

Completed New Vendor Profile Forms should be submitted via email to the accounts payable email with the subject New Vendor.

Note: As tax identification numbers may be included on the form, Massachusetts law does not allow for electronic transmission of such information via email.

The Financial Reporting department will review the New Vendor Profile Form submission for completeness. If issues are noted, the Requestor will be contacted for resolution. If approved, the vendor will be categorized and routed as follows:

- Vendors identified as a supplier of goods and/or services or an attorney will be forwarded to the Purchasing department for additional review prior to being added to the Vendor Master File.
- Vendors identified as independent contractors will be forwarded to the Accounts Payable Department for review prior to being added to the Vendor Master File.

The Financial Reporting department will perform the final approval and activation of all new vendors prior to them being listed in the Vendor Master File.

Note: If the Accounts Payable Department determines that the vendor does not meet the criteria for an independent contractor and may represent a prospective employee, the request will be routed to Human Resources for follow-up.

Customer Service

The Financial Reporting and Supply Chain Department’s goal in implementing the New Vendor Profile policy is to provide the highest levels of customer service consistent with an accurate review of the submission. Please allow up to 5 business days for individual and sole proprietor activation and 3 business days for all other categories.

Related Content

- [New Vendor Profile Form](#)

Document Attributes

Title	New Vendor Policy		
Authors	Director, Supply Chain Management. VP of Finance	Effective Date	3/31/2015
Reviewed/ Revised by		Dates Reviewed/ Revised:	
Approved	Signature on file Chief Financial Officer VP Support Services		

12.4. New Vendor Profileform



Vendor Add Request Form

Please provide the following information:

* Denotes Required Field

Acknowledgement

*By checking the box, I agree with this [Vendor Policy](#).

Your Boston Childrens Hospital Contact Information

*Employee's Name:

*Employee's Department:

*Employee's Phone:

Description of Product / Service

*Describe the product / service you will provide and the scope of work involved:

General Information

***1. Your Contact Information**

*First Name:

*Last Name:

*Contact Title:

*Email:

*Cell Phone #:

Phone#: Ext:

***2. Your Company Information**

*Company Name:

*Doing Business As (DBA):

*Address:

*City:

*State:

*Zip:

Remit address

*Remit Address:

*Remit City:

*Remit State:

*Remit Zip:

*Taxpayer Identification Number (TIN):

*Company Website:

*W9 form / WS form (international vendor):

Adobe PDF file only.

*Do you accept ACH/Credit card process? Yes No

***3. Please select "Yes" to all that apply to your company (descriptions).**

Are you a Trainee? Yes No

Are you a current vendor with Boston Children's? Yes No

Are you a Manufacturer? Yes No

Are you a Distributor? Yes No

Are you a Service Provider? Yes No

***4. Are you a U.S. owned business?**

Yes No

***5. How does your company provide products (select all that apply)?**

Directly to Customer? Yes No

Third Party Distributors? Yes No

Service Provider? Yes No

***6. Has your company been the subject of any regulatory, administrative, or judicial action, sanction, prosecution, or proceeding that would affect your ability to supply products or services?**

Yes No

***7. Has your company been excluded from participation in Medicare, Medicaid, or any state reimbursement programs?**

Yes No

***8. Is your company a minority, small, veteran, woman or underutilized business?**

Yes No

9. Business Associate Decision Tree Questions:

*1. Is Protected Health Information (PHI) being disclosed to a person or entity other than in the capacity as a member of the covered entity's workforce?

Yes No

Detailed Product or Service Information*

*10. Please provide the necessary contact information of someone within your organization that will have signing authority for a potential contract with Boston Children's:

*Job Title:

*First Name:

*Last Name:

*Email:

*Phone #:

*Address:

*City:

*State:

*Zip:

12.5. OMB Uniform Guidance

Uniform Guidance (“UG”) is a set of regulations (located at 2 CFR 200) that consolidates federal guidelines impacting research administration. Per the OMB website, this guidance “supersedes and streamlines requirements from OMB Circulars A-21, A-87, A-110, and A-122 (which have been placed in 2 C.F.R. Parts 220, 225, 215, and 230); Circulars A-89, A-102, and A-133; and the guidance in Circular A-50 on Single Audit Act follow-up.”

Link to the eCFR (Code of Federal Regulations) https://www.ecfr.gov/cgi-bin/text-idx?node=2:1.1.2.2.1#se2.1.200_1320

Goals of Uniform Guidance

UG significantly reforms federal grant making to focus resources on improving performance and outcomes. The intent is to reduce administrative burdens for grant applicants and recipients and reduce the risk of waste, fraud, and abuse.

Procurement guidance is specifically located in sections 200.317-200.326. This guidance focuses on **increased competition and transparency in the procurement process.**

There are five general procurement standards that cover the purchase of property, supplies and services under the Uniform Guidance. These standards apply only to purchases from qualified suppliers. In certain instances, purchase orders are used to facilitate payments to sub recipients, payments to collaborating institutions for use of their core facilities, payments to academic institutions for salaries and benefits, tuition and fees, trainee stipends and graduate student compensation. These payments are excluded from the following standards:

1. The organization (*BCH*) must maintain written policies and procedures for procurement covering the methods available under these regulations.
2. Costs must be reasonable and necessary
3. Must provide for full and open competition
4. The organization (*BCH*) must maintain written standards of conduct covering internal and external conflicts of interest

5. The organization (*BCH*) must maintain documentation addressing cost and price analysis and vendor selections where applicable based on the method of procurement used.

Using BCH Preferred Suppliers satisfies all competition requirements and does not require documentation of competition. These suppliers have been selected through a formal sourcing process and meet BCH's competition requirements. In addition, these suppliers have multi-year contracts in place with BCH that feature negotiated pricing, and other terms and conditions.

When making purchases from suppliers that are not BCH Preferred, the following **five methods of procurement** for each purchase must be followed:

1. Micro-purchases: up to \$25,000

The hospital must distribute micro-purchases equitably among qualified suppliers.

- Micro-purchases may be awarded without soliciting competitive quotations if the non-Federal entity (*BCH*) considers the price to be reasonable.

2. Small purchases: Between \$25,001 and \$250,000

- Rate quotes must be obtained from an "adequate" number of qualified sources. At least two sources are needed to have met this requirement.
- Quotes can be obtained from suppliers or from public websites and included as backup documentation for the purchase

*** Additionally, every small purchase will require a price/cost justification.**

3. Sealed bids: \$250,001 and above

- Preferred method for procuring construction
- Two or more qualified bidders
- Bids are **publicly** solicited from an "adequate" number of known suppliers

- Lowest responsive and responsible bidder for the fixed price contract should be awarded the contract

4. Competitive proposals: \$250,001 and above

- Used for either a fixed price or cost reimbursement contract and sealed bids are not appropriate
- Requests for proposals **must be publicized** and identify all evaluation factors and their relative importance
- Proposals must be solicited from an adequate number of qualified sources
- Written policy for conducting technical evaluations of reviewing proposals and selecting the recipient
- Most advantageous bid wins, price and other factors considered

5. Sole source: For Procurement by noncompetitive proposals - any amount, must meet one of the following four requirements:

1. The item is available only from a single source;
2. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
3. The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity (*BCH*). Such requests should be submitted through Office of Sponsored Programs (OSP) to the federal agency and will be handled similar to a “prior approval” request; or
4. After solicitation of a number of sources, competition is determined inadequate

***Additionally, every sole source will require a price/cost justification.** Examples of methods of providing this documentation include:

- documenting cost analysis efforts

- documenting market research
- including screenshots, emails, and/or catalog prices
- documenting pricing information obtained from colleagues at peer institutions who have purchased the same or similar items
- documenting prices of similar items

UG Conflicts of Interest Policy

As part of the OMB's Uniform Guidance, there are new requirements for conflicts of interest within a procurement action and how the Hospital must handle them.

The regulation states:

“No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.”

12.6. BCH Supply Chain Management Sole-Source Justification Form

ATTACH THIS FORM TO THE APPLICABLE PURCHASE REQUISITION FOR PURCHASES WITH AN ESTIMATED COMMITMENT OF \$50,000 OR GREATER WHEN EXEMPTION FROM THE BID PROCESS IS REQUESTED OR IN THE EVENT THE LOWEST QUOTED PRICE IS NOT SELECTED.

Please print or type:

Date:	Requisition Number:
Requestor:	Cost Center:
Bldg./Room No./Floor:	Tele. Extension:

Before a decision can be made to approve your request for Sole Source procurement, the following information is needed. Please provide all of the requested information on this form and submit it to the appropriate Materials Management Agent along with the applicable Purchase Requisition. Note: Sole Source procurement cannot be based on price alone.

Good/Service to be Procured:	
Suggested Vendor:	Estimated Total Commitment: \$
Vendor Contact Person:	
Phone:	Fax:
E-Mail:	Website:

A. Sole Source Considerations (Check the one that best qualifies):

One-of-a-kind	The good/service has no competitive product AND IS AVAILABLE FROM ONLY ONE VENDOR.
Replacement or compatible equipment	The good is associated with use of existing equipment where compatibility is essential for integrity of results (i.e., must match existing brand of equipment) AND IS AVAILABLE FROM ONLY ONE VENDOR.
Replacement part	The good is a replacement part for a specific brand of existing equipment AND IS AVAILABLE FROM ONLY ONE VENDOR.
Technical service	The service is associated with the assembly, installation, or servicing of equipment of a highly technical or specialized nature AND IS AVAILABLE FROM ONLY ONE VENDOR.
Delivery date	ONLY ONE VENDOR can meet necessary delivery requirements.
Research continuity	The good/service is needed to maintain research continuity AND IS AVAILABLE FROM ONLY ONE VENDOR.
Continuation of prior work	Additional item, service, or work required, but not known to have been needed when the original order was placed with vendor.
Clinically or operationally preferred	Denotes product that has been determined to meet the best overall clinical or research requirements at BCH.
Emergency	URGENT NEED for the item or service does not permit soliciting competitive bids, as in cases of emergencies, disasters, etc.
Other	(Explain in detail below.)

B. Describe in detail the product and/or service to be approved for sole source treatment. Provide details of this request including explanation of why only one source is reasonably available.

C. Is the specific brand/model of product being recommended for procurement available from more than one source (i.e., dealers, distributors)? If "Yes," provide the names of known sources:

D. Did you consider other products or services with similar capabilities? What other suppliers did you contact? Indicate the specific brands/ models of competitors' products that were investigated and describe why, specifically, they do not meet some, or all, of your needs. Verify that, to the best of your knowledge, these are the only companies that supply this type of good/service.

I certify that the above information is true:

Signature of Requestor

Printed Name and Title of Requestor

Date

Authorized VP/Approval Authority*:

Signature of VP/Approval

Printed Name and Title of VP Approval Authority

Date

****In accordance with BCH Signature Authority Policy***

12.7. BCH Supply Chain Management Sole-Source Justification Form for Federal Funds

ATTACH THIS FORM TO THE APPLICABLE PURCHASE REQUISITION FOR PURCHASES WITH AN ESTIMATED COMMITMENT OF \$25,000 OR GREATER WHEN EXEMPTION FROM THE BID PROCESS IS REQUESTED OR IN THE EVENT THE LOWEST QUOTED PRICE IS NOT SELECTED.

Please print or type:

Date:	Requisition Number:
Requestor:	Cost Center:
Bldg./Room No./Floor:	Tele. Extension:

Before a decision can be made to approve your request for Sole Source procurement, the following information is needed. Please provide all of the requested information on this form and submit it to the appropriate Materials Management Agent along with the applicable Purchase Requisition. Note: Sole Source procurement cannot be based on price alone.

Good/Service to be Procured:	
Suggested Vendor:	Estimated Total Commitment: \$
Vendor Contact Person:	
Phone:	Fax:
E-Mail:	Website:

E. Sole Source Considerations (Check the one that best qualifies):

One-of-a-kind	The good/service has no competitive product AND IS AVAILABLE FROM ONLY A SINGLE SOURCE.
Authorization of non - competitive proposals	The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity (BCH). Such requests should be submitted through Office of Sponsored Programs (OSP) to the federal agency and will be handled similar to a "prior approval" request.
Inadequate competition	After solicitation of a number of sources, competition is determined inadequate
Emergency	The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation
Other	Must be reviewed by Research Finance. Explain in detail below

F. Describe in detail the product and/or service to be approved for sole source treatment. Provide details of this request including explanation of why only one source is reasonably available.

G. Is the specific brand/model of product being recommended for procurement available from more than one source (i.e., dealers, distributors)? If "Yes," provide the names of known sources:

H. Did you consider other products or services with similar capabilities? What other suppliers did you contact? Indicate the specific brands/ models of competitors' products that were investigated and describe why, specifically, they do not meet some, or all, of your needs. Verify that, to the best of your knowledge, these are the only companies that supply this type of good/service.

I certify that the above information is true:

Signature of Requestor

Printed Name and Title of Requestor

Date

Authorized VP/Approval Authority*:

Signature of VP/Approval

Printed Name and Title of VP Approval Authority

Date

****In accordance with BCH Signature Authority Policy***