

 HAWAII HEALTH SYSTEMS C O R P O R A T I O N "Touching Lives Everyday" Policies and Procedures	Department: Corporate Finance	Policy No.: PUR 0019
	Issued by: Kelley C. Roberson COO/CFO	Revision No.: 1
Subject: <i>Requesting Purchasing Assistance from CORPORATE Contract Management</i>	Approved by: Thomas M. Driskill, Jr. President & CEO	Effective Date: October 1, 2007
		Supersedes Policy: Supersedes all former HHSC corporate PUR policies on this subject. Page: 1 of 6

- I. **PURPOSE:** To streamline and standardize the process of requesting purchasing assistance from Corporate Contract Managers. The Purchase Request Form (PR) is required and serves several purposes: to provide information needed by the Contract Manager (CM), Technical Representative (TR) and Executive Management in understanding the desired item or service; to assist the CM in making a determination of the appropriate procurement method needed to obtain the goods, services or construction; for use in the assignment of procurement workloads and review of overlapping requests for possible standardization or grouping of purchases; for use by management in reviewing and approving of the purchase; and for use by other departments involved in certain types of purchases, such as, the Legal Department and Compliance Office.
- II. **POLICY:** This policy details the PR submission and approval process. The HHSC Board of Directors, through the President/CEO, requires written approvals for all PRs in order to validate the funds may be spent at the levels specified in the PR for the identified goods, services or construction.
- III. **DEFINITIONS:**
- The term "**Contract**" means any agreement or arrangement, entered between or among parties, one of which is HHSC, which creates financial or any other obligation or obligations. A contract includes both financial and non-financial arrangements and agreements.
 - The term "**Corporate Contract**" request means a purchase being initiated by a Hawaii Health Systems Corporate officer or employee on behalf of the corporate office.
 - The term "**Multi-region Contract**" means a purchase being initiated at the facility or regional level that will involve more than one region and will be executed by more than one regional authority. Multi-region contracts are under the jurisdiction of the Regional System Boards and are not covered by this policy.

- The term "**System-Wide Contract**" includes procurement and acquisition requests for more than one (1) HHSC facility out side of a single region where the approving authority is at the corporate office.
- The term "**Regional Contract**" means a contract resulting from a procurement action involving one or more facilities within the same region. Regional Contracts are under the jurisdiction of the Regional System Boards and are not governed by this Policy.
- The term "**Not to Exceed**" (NTE), listed on the PR means the total aggregate dollar amount of the contract, inclusive of the base contract cost, shipping and handling, expenses, and sales tax, if applicable. The NTE shall be increased when exercising option years increasing the total dollar value of the contract. Alternatively, option years may be written into the original NTE amount and approval to spend the money for the option years obtained when the initial contract is executed.
- The term "**Physician**" means a doctor of medicine or osteopathy, a doctor of dental surgery or dental medicine, a doctor of podiatric medicine, a doctor of optometry, or a chiropractor, as defined in section 1861(r) of the Social Security Act.
- The term "**Purchase Request**" (PR) (Attached PUR Form 18) means the initiation document, which is an encumbrance and acquisition/purchase-tracking document prepared by a requestor and/ or Technical Representative to initiate the request for acquisition of goods and/or services and construction from an outside source.

IV. PROCEDURE for each PR: The PR is the first step in requesting Contract Management assistance in the procurement process, and is intended to result in the issuance of a Contract whether by formal Contract, Vendor Agreement or Purchase Order or other approved commitment form generated by the Contract Manager, Material Manager and/or Purchasing Agent as appropriate. Ideally, the PR should be prepared and approved at least 180 days prior to the requirement need date due to the time involved in making purchases via formal solicitation methods.

A. The requestor shall generate the PR for each request. A lead technical representative (TR) shall be noted on the form. If there is no TR identified, the requester shall be considered the technical representative on the PR, subject to change later when a TR is identified. In System Wide or Corporate Contract actions, a TR should be named for each region involved, but one TR shall be the lead.

B. The PR form (Exhibit A) shall be completed and submitted for approval to initiate the acquisition and procurement request. The following is a step-by-step guide in completing the PR:

PR Completion :

1. Provide the PR preparation date;
2. Identify if the request is Regional, Multi-regional, System Wide or Corporate. Identify on the PR if the request is for a New Contract or Contract Amendment. If the PR is for a Contract Amendment, identify the Contract Number. Mark the purpose of the requested requirements:
 - a. Goods
 - b. Services
 - c. Construction
 - d. Physician Services
3. Provide a detailed description for the requested services with sufficient detail for the Contract Manager and the approving authority to fully understand the intended request. In addition to the detailed description, requestor shall provide the following:
 - a. Expected Time of Performance (Begin: mm/dd/year & End: mm/dd/year), which shall not be less than 60 days without good cause;
 - b. Recommended Vendors, if any;
 - c. If pre-existing contract, identify the Contract Manager or Purchasing Agent if known;
 - d. Miscellaneous Documents and Approval Requirements may be required contingent upon the nature of the procurement to maintain compliance with the State of Hawaii Procurement Code (103D) and/or HHSC Procurement P&Ps. It is the responsibility of the requester to obtain the appropriate approvals of the documents listed below. If needed, the requestor may consult with the assigned CM (or other procurement representative, if the CM is not available) to determine if any of the below documents and approvals are required, and, to obtain assistance in preparing and processing the required forms/documents, as needed (see the P&Ps on each of the topics listed below for further details):
 - Emergency Procurements (HHSC P&P PUR 0004);
 - Sole Source Procurements (HHSC P&P PUR 0016);
 - Exempt Procurements (HHSC P&P PUR 0017);
 - Legal Review of RFP/IFB and Contracts (HHSC P&P PUR 0014);
 - Computer hardware/software VP/CIO approval >\$10,000.00 (HHSC P&P, PUR 0001);
 - Authority to Procure Personal Services (HHSC P&P PUR 0006);
 - Procurement Reporting to the Board of Directors (BOD) (HHSC P&P PUR 0010), regarding) Board approval (generally, all contracts over >\$1 million).;
 - "Fair Market Value" approval and Legal Review for all Physician-related procurements (HHSC P&P FIN 0002, "Corporate Policy on Financial Arrangements with Physicians and Other Providers".)
4. Requestor shall provide the below required information before the request can be approved or assigned. If the information is incomplete, the PR will be returned to the requestor for additional input.
 - a. Mandatory items include:
 - 1) Scope of Services and/or

- 2) Specifications;
- 3) Name and phone number for technical representative;
- 4) Estimated Price (best outside guess);
- 5) Dates needed;
- 6) Vendor Contract, where applicable;
- 7) Name of CM handling previous purchases of this product or service; and
- 8) Name of vendor, if requesting an amendment.

b. Other information that may be supplied:

- 1) Vendor Quotes/Proposals
- 2) Suggested vendors for solicitation of quotes/bids
- 3) Other product information, such as, whether or not acceptable products are included on the GPO catalog, internet sites where more information can be obtained

5. It is the responsibility of the requestor to obtain and submit the PR with all appropriate documentation referenced in this P&P to the following designated authority level for signature approvals (See HHSC P&P PUR 0001, and applicable delegation of authority letters). Generally, System-Wide Contract PRs, and Corporate Office PRs, regardless of dollar value, shall be signed by the HHSC Corporate COO/CFO or PRES/CEO or designees. The contract manager shall inform the regional CEOs that a system-wide PR has been signed, obtain their consent to participate in the solicitation via email, and request assignment of a technical representative for the regions.

6. Once the PR has been fully approved by the appropriate managers, the requestor shall submit one (1) fully completed copy of the PR, with “all” applicable attachments and approvals for processing to the Corporate Contract Management Office. The Procurement Specialist shall review the PRs for completeness and will work with the requester until it is complete. If the Procurement Specialist finds errors or omissions in the supplied documentation, the PR shall be rejected and returned to the requestor for correction and resubmission as required.

7. System-Wide and Corporate Purchasing Actions:

a. The Senior Contract Specialist, Corporate Contracting Office, will assign a CM for system-wide and corporate procurement actions. The Corporate Procurement Specialist will send a copy of the PR back to the central point person, the requester, the assigned CM, and the TR named on the PR. For I/T procurements, a copy will be given to the VP/CIO.

b. The Corporate Procurement Specialist will enter the assigned PR into the Contract Management SharePoint PR Log database. Once assigned, the CM is responsible for tracking the PR and notifying the TR of contract expiration dates in sufficient time to allow for a renewal process.

8. **Amendments to the PR** are not required for minor changes, such as, changes in dates, and changes in technical representatives. The PR should be amended and marked as “amended” where the price has increased by 10% or more or there is substantial change in the specifications or scope of work to the extent that the approval of the purchase is no longer applicable and a new approval is needed.

- V. **APPLICABILITY:** All HHSC corporate office or system-wide contract actions.
- VI. **REFERENCES:** Chapter 103D, HRS, and implementing regulations and Board Motions. Reference to Chapter 103D and implementing regulations does not intend to waive any applicable exemptions.

EXHIBIT A

Purchase Request

CORPORATE PURCHASE REQUEST

PUR Form 018