HAWAII HEALTH SYSTEMS C O R P O R A T I O N "Quality Healthcare For All"	Department: FINANCE	Procedure No.: PUR 0001B Revision No.:
PROCEDURE	Authored by: Joe Evanoff, HHSC Director of Contracts & Materials Mgt.	Effective Date: June 20, 2013
Designation of Procurement Responsibilities to HHSC & Regional Facilities	By Bruce/S. Anderson, Ph.D. HHSC President and CEO	Supersedes Policy: None Page: 1 of 6

Reviewed April 16, 2013; Next review April 16, 2016

I. PURPOSE: To establish a consolidated and standardized system wide procedure and process for obtaining and tracking delegation of procurement responsibilities for the Hawaii Health Systems Corporation (HHSC) and Regional System Boards.

The purpose of the designation of procurement responsibilities procedure is to designate the personnel within HHSC and Regional facilities with contract signing authority and guidelines for delegation and exercise of that authority.

II. PROCEDURE FOR CORPORATE & REGIONAL OFFICES:

A. List of Definitions & Acronyms:

- 1. <u>"HHSC Board of Directors" or "Corporate Board"</u>: The HHSC Corporate Board of Directors:
- 2. <u>"Regional System Board of Directors" or "Regional Board"</u>: Has the same meaning for each respective Regional System Board of Directors for Maui Region, East and West Hawaii Regions, Kauai Region and Oahu Region;
- "Corporate Office Contracts": A contract that is solely for the benefit of the corporate office, and executed by a corporate official, subject to procurement code chapter HRS 103D;
- 4. "System Contracts": A contract that is intended for use by more than one (1) region that will include the provision of goods or services to more than one region for the benefit of the regional hospitals and or corporate office as it may apply and executed by a corporate official, subject to procurement code chapter HRS 103D;

- 5. "Regional Contract": A contract that services one (1) or more facilities or clinics within single region and executed by a regional official, excluded from procurement code chapter HRS 103D;
- 6. "Multi-regional contract": A contract that will include the provision of goods or services to more than one region that is initiated by a region (purchase request initiated and approved at the hospital or regional level) and executed by one or more regional officials but not an HHSC corporate official. Contract will be excluded from procurement code chapter HRS 103D;
- 7. "PCEO": HHSC President and Chief Executive Officer. PCEO has been designated the Chief Procurement Officer (CPO) by the legislature;
- 8. "HOPA": Head Of Purchasing Agency as used in chapter 103D procurement code;
- 9. "CPO": HHSC Chief Procurement Officer also known as PCEO;
- 10. "RPO": Regional Procurement Officer, shall be as delegated within each region;
- 11. "RCEO": Regional Chief Executive Officer;
- 12. "RCFO": Regional Chief Financial Officer;
- 13. "RCOO": Regional Chief Operating Officer;
- 14. "TR": Technical Representative;
- 15. "CM": Contract Managers for both regional and corporate contracts department;
- 16. "HHSC Procurement Officer": Means HHSC Contract Managers with delegated authority to enter into and administer procurement actions and or contracts and make written determination with respect thereto. The term includes an authorized representative acting within the limits of their delegated authority from the CPO. Shall be the Corporate Contract Manager with delegated procurement authority as noted in "Attachment 2 103D Procurement Delegation" in accordance with HRS chapter 103D procurement code.
- 17. <u>"Executive Management Team"</u>: As used in this policy has the meaning of HHSC PCEO and or RCEO as it may apply to the contracting action or current delegation of authorities.
- 18. <u>"Hospital Administrator"</u>: Regional Hospital Administrators, which are the RCEOs and or facility Administrators as it may apply to the contracting action or current delegation of authorities.

B. HHSC and Regional Contract Signing Authority (Reference Appendix A – "Procurement Authority Matrix"):

1. HHSC PCEO and HHSC Board of Directors Authority:

- (a) The PCEO and HHSC CFO have authority to enter into Corporate Office and System Contracts in any amount for any lawful expenditure up to the authority limit of \$5 million without Corporate Board of Directors approval.
- (b) The PCEO and HHSC CFO may approve nonexclusive physician contracts up to \$5 million, with an after-the-fact advisement to the Corporate Board of Directors for contracts over \$500,000.
- (c) The PCEO and HHSC CFO may execute contracts of all amounts after Corporate Board of Directors approval, in accordance with HHSC policy entitled, Contract Approvals and Procurement Reporting to the HHSC Board of Directors, PUR 0010.
- 2. Regional CEOs and Regional Board of Directors Authority:
 - (a) The RCEOs, or formally delegated person in accordance with this policy, have authority to enter into regional contracts in any amount for any lawful expenditure up to the authority limit of \$2 million without further respective Regional Board of Directors approval.
 - (b) The RCEOs, or formally delegated person, may approve nonexclusive physician contracts up to \$2 million, with an after-the-fact advisement to the respective Regional Board of Directors for contracts over \$500,000.
 - (c) The Regional Board of Directors shall approve contracts in any amount for any lawful expenditure up to \$5 million without further Corporate Board approval. Regional contracts equal to or greater than \$5M require Corporate Board approval.

C. Delegation:

- 1. The HHSC PCEO may delegate contract signing authority to corporate staff, such as, the Vice Presidents and HHSC CFO. The Regional Boards assume control of the contracting function for regional contracts.
- 2. Each Regional Board shall specify the delegation of regional contracting authority within their respective regions to include, at a minimum, the dollar thresholds and other criteria for execution of contracts by the Regional CEOs and rules relating to delegation of contracting authority.
- 3. The delegations shall be documented in PUR Form 021 (Attachment 1), and shall specify the following information:
 - Name and title
 - Facility
 - Categories of procurement (goods, services, and/or construction)
 - Dollar level of procurement delegation approval (e.g., under \$4,000; under \$25,000; \$100,000 or less; or up to \$500,000, etc.)

- Procurement method of source selection delegation (e.g. competitive sealed bid, competitive sealed proposal, professional services, emergency procurement, noncompetitive purchases, etc.)
- 4. Computer hardware and software: Procurement of computers, servers and computer software being installed, implemented or accessing HHSC infrastructure exceeding \$10,000 requires prior approval of the HHSC Chief Information Officer (CIO). Procurements up to \$10,000 will be reviewed and approved by the Regional Information System representative. All procurement requests for I/T related items over \$10,000 shall be processed thru the VP-CIO office for approval. Any rejected actions by the CIO shall be presented to the RCEOs by the Regional Information Technology representative for review. If it is deemed to be in the best interest of the regional facility, the procurement decision may be overturned by the RCEO.
- IV. APPLICABILITY: All HHSC facilities and CEO staff.
- V. REFERENCES: HRS 323F; Chapter 103D, HRS. Reference to Chapter 103D does not intend to waive any applicable exemption.

VI. ATTACHMENTS:

- Attachment 1 Designation of Facility Procurement Officer Form
- Attachment 2 Procurement Delegation HRS Chapter 103D
- Appendix A Procurement Authority Matrix

[Place HHSC or Regional Header Here]

[SAMPLE Form Content] Designation of Facility Procurement Officer

The individual indicated below is designated as a Hawaii Health Systems Corporation (HHSC) Facility Procurement Officer. The designee may make procurement decisions, including signing of contracts and Procurement Requests within the level of authority granted. The designee will perform his/her duties in accordance with the following laws and guidelines:

- HHSC Policies and Procedures; Resolutions of the HHSC Board and Regional Board
- Governor's Budget Execution Policies, Fiscal Year as Applicable
- HRS 323F; HRS 103D, and implementing regulations (where applicable)

Hospital:
Name of Designee:
Categories of Procurement:(goods, services, and/or construction)
Dollar Level of Procurement: \$up to \$(under \$4,000; up to \$25,000; up to \$50,000, \$100,000 or less; up to \$200,000, up to \$500,000 etc.)
Methods of Source Selection: (competitive sealed proposal, professional service procurement, small purchases, emergency procurement, or discretionary purchases)
Limitations on any of the above/special conditions:
Accepted by Designee: (signed, dated)
Regional CFO: (date, print name and sign)
Regional CEO: (date, print name and sign)
Facility Administrator: (if applicable, date, print name, sign)
Send completed copy to Corporate Director of Contracts and Regional Contract Managers.

HHSC PROCUREMENT DELEGATION ATTACHMENT 2 - HHSC Policy PUR 0001-B

SECTION 1 - PURPOSE

(Check all that apply)

SECTION 2 - EMPLOYEE INFORMATION

		HHSC Corp. Office USE ON Delegation Approval Effec Date:	
SECTION 2 - EM	PLOYEE INFORMATION	Bruce Anderson Ph.D.	Signature
Last Name (Print)	First	Name (Print)	
X Employee Signature TION 3 - DELEGATES	egated procurement authority and responsibility as indicated b pursuant to Procurement Circular 2010-05 as amended, and as Date PROCUREMENT AUTHORITY AS PROCUREMENT PROCUREMENT AUTHORITY AS PROCUREMENT AUTHORITY AUTHO	posted on the training web site at http://hawaii.gov/spo.	
	awaii Public Procurement Code		
PUR-001B Noti PUR-002 Emerg PUR-003 Reque	e and Request for Sole Source* te to Amendment to Sole Source* tency Procurement Request* test for Extension of Time on Contracts* or Vendor List Contract Purchase Exception	PUR-007 Notice of and Request for Exer PUR-007B Notice to Amendment to Exe PUR-0010 Record of Procurement PUR-015 Use of Alternate Procurement PUR-035 Request to Use Purchasing Car	mption from 103D, HRS* Method*

Note: Only Dept. Head is authorized to certify (sign HHSC PUR forms): PUR-016, PUR-018, PUR-018A

SECTION 3 - DELEGATES PROCUREMENT AUTHORITY AS PROCUREMENT OFFICER TO

SECTION 4 - DELEGATES PROCUREMENT AUTHORITY TO EXECUTE, CONDUCT, PARTICIPATE IN THE VARIOUS PROCUREMENT METHODS, AND TO ACT AS HePS APPROVER OR BUYER (Check all that apply) (*) Requires CPO approval

UPS about a 1020 Hausaii Bublia Draguran and Sada	Procureme.	Procurement Methods		HeP\$	
HRS chapter 103D - Hawaii Public Procurement Code	Approves	Conducts	Approves	Contract Mgr	
Competitive Sealed Bidding (HRS 103D-302)	Г	Γ			
Competitive Sealed Proposals (HRS 103D-303)	<u> </u>	T T			
Professional Services (HRS 103D-304)		Г			
Small Purchases (HRS 103D-305)	Γ	Г	F		
Sole Source (HRS 103D-306)*				<u> </u>	
Emergency (HRS 103D-307*		L.			
ACT 150, SLH 2009 (ARRA expedited procedures)					
Competitive Quotation (HAR chapter 3-133, Subchapter 2)	Γ				
Competitive Best Value (HAR chapter 3-133, Subchapter 3)	Γ	Ε,			
SECTION 5 - DELEGATES PROCUREMENT AUTHORITY FOR PCARD ADMINISTRATOR (Check all that apply). Only one person is authorized to be an Administrator for each depart					
pCard	,	Administrator		Alternate	
pCard Administrator	enem miljone reported viginalis				

Emergency pCard Administrator

Supersedes any previous delegation forms for this employee.

ATTACHMENT 3

APPENDIX A - Procurement Authority Matrix Hawaii Health Systems Corporation & Regional System Boards

	HRS 103D	Corporate	Oahu-	Kauai	Maui	East Hawaii	West Hawaii
Effective Date:	Jan-94	Nov-06	Jan-09	Sep-08	Nov-08	Aug <u>÷</u> 08	TBD
	SPO	Bruce Anderson Pres/CEO & CPO		Jerry Walker RCEO	RCEO	Howard Ainsley RCEO	JayiKreuzeri RCEO
Contract / Purchase Order Signing Authority Limits	As delegated	HHSC Board > \$5M	Regional BOD - <\$5M				
	by the Policy & Board	Pres/CEO; \$5M	RCEO: \$2M	RCEO: \$2M	RCEO: \$2M	RCEO: \$2M	RCEO: \$2M