

**MONTEFIORE
POLICY AND
PROCEDURE**

SUBJECT:	PROCUREMENT POLICY & PROCEDURES	NUMBER: JP10.1
OWNER:	PROCUREMENT	
EFFECTIVE:	REVIEW/REVISED:	SUPERSEDES:
01/69	10/22/2021	05/19, 01/18, 09/13, 05/13, 02/11, 12/10, 01/09, 1/07, 09/06, 10/03, 12/00, 04/94, 5/58
CROSS-REFERENCE: Administrative Policy and Procedure: JP18.1		

Purpose:

To inform new and current associates on the appropriate and approved methods to procure products and services at Montefiore.

Scope:

Montefiore Medicine

Regulatory Reference:

- Conflict of Interest Policy
- HIPAA compliance regulations
- 45 CFR part 75 subpart E: "Cost Principles"
- Montefiore's Competitive Bidding Procedures

Responsibility:

Procurement Management will monitor adherence to all procedures outlined in this policy.

Policy:

Section A: General

1. All purchases will be made through the Procurement Department. Procurement department must be notified before making any commitments to vendors or before receiving the products / services / equipment.
2. This policy requires adherence to prudent procurement guidelines that must be strictly adhered to.
3. Purchases shall be made from reputable, experienced and approved vendors who have a sound financial position and who can provide quality products / services / equipment whenever requested, who commit to prompt deliveries, hold expected amount of inventory levels, correctly invoice and accept Montefiore's terms and conditions.

4. All commitments to purchase any product, service or equipment will be made by the Procurement Department.
5. No expenditure of organizational funds for merchandise or services may be made without the assignment of a purchase order number by the Procurement Department, except for a well-defined emergency resulting outside the Procurement Department's business hours. (See Section B, Paragraph 5)
6. All department leaders / requesters must notify the Procurement Department of all merchandise to be returned to the distributor or manufacturer regardless of the value. Please refer to Administrative Policy "Return of Merchandise Policy", policy # JP1 7.1.
7. Montefiore Medicine does not permit endorsement of commercial products, services or equipment, unless authorized by Public Relations.
8. Montefiore associates will observe the Conflict of Interest policy when making procurement decisions and / or interacting with business partners. Expenditures of Montefiore funds shall in no way accrue to the benefit of any individual that is officially connected with Montefiore. Gifts are not to be accepted. No Purchases will be made for personal use by employees other than for job related activities.
9. All requisitions for procurement of products, services and equipment require approval as outlined in the Administrative Policy "Authorization to Procure Products & Services", policy # JP18.1.
10. A "Business Associate Agreement" is to be completed by the vendor to verify compliance with HIPAA when applicable.

Section B: Procurement Guidelines for Departments

1. The requesting department is responsible to provide product / service / equipment specifications clearly and completely.
2. All sales and service representatives must register with Montefiore's designated Vendor Credentialing platform/tool prior to visiting any personnel associated with Montefiore. All Medical Device Representatives must comply with Montefiore Compliance Policy JP54.1 (This policy ensures that the best interest of the patient is the principal factor in any decisions to use pharmaceuticals, medical equipment and devices or clinical services in patient care which is available on Montefiore internet and intranet sites.)
3. The procurement department will work with department leaders or designated associates to review supplier preferences and / or brand requests. However, in an effort to mitigate vendor fragmentation and optimize existing supplier partnerships, the Procurement Department may decide to use existing suppliers.
4. Purchase requisitions are required for all products, services and equipment, and must have appropriate authorization of the party responsible for the account to which the product, service or equipment is charged.
5. Emergency orders placed after business hours must be approved by the requesting department's cost center owner only. Any order placed in such an emergency after business hours must be reported to the Procurement Department using a Purchase Requisition by the following business day, while specifying the purchase details and the reasoning.
6. When initiating a procurement funded by a Federal Award, the requester must comply in manners consistent with open competition and will only include costs allowable and consistent with Federal Cost Principles referenced in 45 CFR Part 75, subpart E: Cost Principles. All procurement policy requirements are applicable for grant funded purchases unless grant requirements dictate any specifics.

Section C: Procurement Responsibility

1. Purchasing requests made by departments should clarify a complete description of product / service and where possible may suggest a vendor, the price offered, delivery date, and if applicable, supplier diversity status.
2. The Procurement Department is responsible:
 - Identifying and selecting the vendor to make the purchase from,
 - Converting the requisitions into a purchase order
 - Facilitating the process.
 - Obtaining pricing information in accordance outlined in the Procurement Department's general guidelines and procedures at the time of purchase.
3. Consistent with Montefiore competitive bidding policies, all contracts and purchase order commitments will be negotiated with the best interest of Montefiore in mind. The Procurement Department will ensure that purchase of products, services, and equipment are competitively bid in a manner that evaluates vendor price, quality, expertise, service, regulatory and legal compliance and overall financial and operational impact to Montefiore (compliant with Montefiore Competitive Bidding Policy). Local and Diverse businesses will be considered in the vendor selection process and be evaluated when service or product costs are comparable and of equal value (See Section F: Supplier Diversity). Vendors are required to be in good standing and not be listed on the Office of Inspector General government watch lists. Single commitments or contracts in excess of \$50,000 or annual spend with the same supplier exceeding \$50,000 must be competitively bid and all exceptions must be documented accordingly before any commitment and approved by CFO.

Section D: Receipt and Payment

1. Accounts Payable is authorized to pay for items with a valid Montefiore purchase order number which has available funds and only for the items, quantity and price listed on the purchase order.
2. Discrepancies between the amount shown on the purchase order and the amount shown on the invoice will be reviewed by the Procurement Department. The Procurement Department will advise Accounts Payable as to the appropriate steps to proceed with payment.
3. Receiving will record the shipment and will ensure that all merchandise is received as ordered.
4. Unauthorized invoices without a valid Purchase Order issued by the Procurement department will become the obligation of the person who incurred them. Unauthorized invoices are those received by Montefiore for any purchase of product, service or equipment not made by the Procurement Department. Requisitions sent to the Procurement Department 'after the fact' (after a product / equipment has been received or a service has been rendered), and which are not considered to have a well-defined emergency business reason are going to be classified as unauthorized. The Procurement Department will report monthly, all 'after the fact' invoices to the respective Department Leaders with a copy to the CFO.

Section E: Supplier Diversity

1. It is the intent of Montefiore that all vendors, regardless of size or classification, have the same and equal opportunity to become suppliers to the Montefiore. Women-Owned Businesses, Minority-Owned Businesses, Veteran-Owned Businesses, Service-Disabled Veteran-Owned Small Businesses, Small Businesses, Small-Disadvantaged Businesses, Small Businesses located in HUB-Zones (Small companies that operate and employ people in Historically Under-utilized Business Zones), collectively referred to as "Diverse Businesses", be afforded the maximum practicable opportunity to supply products / services / equipment to Montefiore. Diverse Supplier is defined as a business that is at least 51% owned and operated by an individual or group that is part of a traditionally underserved group. This includes but is not limited to, small-business enterprises, minority-owned enterprises, women-owned enterprises, and LGBTQ, veteran, and proprietors with disability-owned enterprises. Local Supplier is defined as vendors located in Bronx, Rockland, Westchester and Orange Counties.
2. Montefiore, through Procurement, will actively encourage participation by Diverse Businesses in its procurement programs, and in accordance with Federal guidelines, seek to include Diverse Businesses in the competitive bidding process and strategically deploy Montefiore purchasing power to maximize opportunities for small, local, and diverse businesses.
3. Montefiore, through Procurement, will work to assist Diverse Businesses with the challenges of meeting the Montefiore's business and procurement requirements. This policy is designed to reflect Montefiore's strong commitment to the principles of Executive Order 11246 and Public Law 95-507 and their implementing regulations, and to ensure that the Montefiore's business practices and procedures are in compliance with such principles.

Section F: Energy and Sustainability

1. As part of a greater commitment to sustainability, Montefiore aims to make Montefiore and its surrounding communities a healthier, and more environmentally friendly.
2. The Procurement Department will make every effort to secure contracts with suppliers that are environmental leaders in their respective markets, whenever practical or feasible.
3. The Procurement Department will purchase products that meet third-party approved eco-labels when possible and practical. (i.e., Green Seal Approved Products, Forest Stewardship Council (FSC) Certified Products, Rainforest Alliance Products, Ecologo.)
4. The Procurement Department will purchase Energy Star rated Appliances and Fixtures in all areas for which such ratings exist.
5. The Procurement Department takes into consideration the following when purchasing your goods and services:
 - Recyclability of the product
 - Minimization of product packaging
 - Maximization of energy/water conservation
 - Durability as opposed to one-time use
 - Locally or regionally manufactured products
 - Minimization of toxic and hazardous materials, i.e., no Chlorofluorocarbons (CFCs), Mercury-free, Urea Formaldehyde free, and low Volatile Organic Compounds (VOCs)
 - Maximization of recycled content
 - Emphasize lowest life cycle cost and lowest environmental impact
 - Reuse of existing products or materials
 - Renewability of materials