

PURCHASING POLICY AND PROCEDURE MANUAL

UNIVERSITY OF MINNESOTA HOSPITALS AND CLINICS

JANUARY 1984

PREFACE

Based upon the unique needs of the Hospitals and the need for rapid response to a changing health care environment, the University of Minnesota has embarked on a course of action that will allow it to more effectively manage its purchasing functions.

During these times of advancing technology and ever-increasing reimbursement pressures, it is vital that the purchasing function be responsive and actively managed within the Hospital environment.

With this in mind, the Board of Regents, in August of 1983, delegated the responsibility for University of Minnesota Hospitals and Clinics purchasing to the Board of Governors of the Hospitals.

The Policies set forth in this manual have been approved by the Board of Governors with the responsibility for carrying them out as assigned by the Board of Governors delegated to the General Director of the University of Minnesota Hospitals and Clinics.

The Policy statements contained in this manual represent the purchasing intentions and goals of the University of Minnesota Hospitals and Clinics. They constitute the permanent foundation upon which the purchasing activity of the Hospitals and Clinics operates.

The fundamental purpose of the procedures adopted in this manual is not to restrict the effectiveness of the individuals involved with the procurement process, but to provide a foundation for effective, consistent, and complete consideration of all aspects of the purchasing process, with the expected result being a positive, professional relationship between the Hospitals and the suppliers serving the Hospitals.

This manual is designed to serve as a users' reference guide in order to explain and facilitate understanding of the University of Minnesota Hospitals and Clinics purchasing activity and responsibilities. This manual is to be kept current and should include all Purchasing Policy and Procedure updates issued by the University of Minnesota Hospitals and Clinics.

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Policy

The Board of Regents of the University of Minnesota has delegated to the Board of Governors the authority to conduct all purchasing activity within the University of Minnesota Hospitals and Clinics.

Procedure

In fulfilling its purchasing responsibility, the Board of Governors may, on a quarterly basis, request reports from the Hospital Director regarding purchasing activity conducted by the University of Minnesota Hospitals and Clinics. This report may include any purchasing activity related to awards made to minority vendors participating in the set aside program, awards made on negotiated contracts, and purchasing activity resulting in cost savings to the Hospitals.

The above subjects are not to be construed as all inclusive as the Board of Governors may wish to seek additional purchasing-related information as it deems appropriate.

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Policy

The authority to procure needed supplies, equipment, and services for the University of Minnesota Hospitals and Clinics has been delegated to the Board of Governors from the Board of Regents and subsequently to the Hospital Director.

Procedure

- A. Purchasing Policy grants the Hospital Director the authority and responsibility for the procurement of all materials, equipment, supplies, and services necessary to support the Hospital. Within this authority, the Director may delegate to other specific individuals the responsibility for the performance of the procurement duties.
- B. Delegation of commitment authority for Purchasing activity is listed below. The individuals identified below are responsible for initiating purchase transactions within the guidelines and procedures set forth in this Policy and Procedure Manual.

<u>Categories</u>	<u>Individual Delegation</u>
1. Materials and Supplies	
a. All materials and supplies	Responsible Department Head
b. After hours/emergency purchases	Responsible Department Head
2. Capital Equipment	Responsible Department Head and Appropriate Administrator
3. Services	
a. Service & Maintenance Contracts, related to Hospital Materials & Acquisitions	Responsible Department Head

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<p>C. The procedure, <u>Approval Requirements for Purchases</u>, requires certain approvals of a transaction prior to commitment. All delegations of authority are subject to the Approval's Requirement.</p> <p>D. Emergency transactions requiring approvals can be completed as needed, subject to approval on the next working day.</p>		

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Policy

In order to insure compliance with approved purchasing policies and procedures, the University of Minnesota Hospitals and Clinics, through the Hospital Director, delegates purchasing responsibility to the Director of Materials Services.

Procedure

A. Definition of responsibilities:

1. Director of Materials Services will be responsible for:
 - a. The Hospitals' adherence to the stated policies and procedures.
 - b. The review of all annual and blanket contracts of \$50,000 or more.
 - c. The coordination of all purchasing activity at the University of Minnesota Hospitals and Clinics.
 - d. The actions and conduct of buyers within the department and the assurance that those buyers transact business within the guidelines and spirit of the University of Minnesota Hospital's and Clinic's policy and procedure manual.

2. The Materials Services Buyers will be responsible for:
 - a. Assisting Hospital departments with the purchasing function.
 - b. Bidding all inventoried items.
 - c. Reviewing requisitions and payment requests prior to release.
 - d. Reviewing all purchase orders.
 - e. All initial vendor contracts.
 - f. All capital equipment purchases.
 - g. Reviewing of all annual and blanket contracts of \$49,999 or less.

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3. The Materials Services Assistant Buyer will be responsible for:
 - a. Tabulating bids.
 - b. Entering data into the computer.
 - c. Assigning and logging all purchase order numbers.
 - d. Ordering stock items into inventory.
 - e. Screening sales representatives.
 - f. Expediting all vendor returns.
 - g. Expediting past due orders.
 - h. Updating vendor list.

4. The Product Evaluation and Standardization Committee or its appropriate subcommittee will be responsible for:
 - a. Providing evaluations on non-pharmaceutical products.
 - b. Standardization of non-pharmaceutical products within the Hospitals wherever possible.
 - c. Reviewing general use inventoried item contracts prior to re-bidding or renewal.
 - d. Providing product guidance for Hospital departments.

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Policy

In order to achieve appropriate purchasing accountability, the University of Minnesota Hospitals and Clinics shall have defined approval requirements for purchase commitments.

Procedure

- A. All designated purchasing personnel shall obtain the required approval prior to the issuance of the purchase order. The following table provides levels of required approval based on the dollar amount of the order.

<u>Amount of Order or Contract</u>	<u>Departmental Purchaser</u>	<u>Department Head</u>	<u>Director of Materials</u>	<u>Hospital Administration</u>
\$500 or less	X	X		
More than \$500		X	X	
Negotiated Contracts		X	X	X

- B. In situations where one or more of the persons whose approval is required in accordance with the above table is not available, the approval of the next higher level of authority will be obtained.
- C. If a purchase order change is issued to correct or supplement an open order to contract, and it is apparent additional expenditures will exceed the previously approved amount by 10% or more, then the change order must be approved by the appropriate approval level identified in the table above. This does not apply to capitol equipment. (See Capital Equipment Policy).

Signature cards for all authorized Purchasers must be on file in Hospital Accounts Payable.

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Policy

In order to assure appropriate documentation flow of information and compliance with established Purchasing Policy, all non-inventoried supplies and equipment shall be procured by utilizing established Purchasing Protocol.

Procedure

- A. University Hospitals' Form #26930, "Requisition-Order/Payment Request," is to be used by Hospital departments for ordering all non-contract supplies and equipment and for making payments to persons or organizations not involving contractual or bid agreements.

Instructions for filling out the Requisition-Order/Payment Request:

1. Sub-Acct: Completed by Hospital Accounting only after thorough audit of the document as filled out by the department. This audit will include correct account number, class number, vendor reference number (optional), extension of unit price times quantity, total extension of funds, and authorized signature.
2. Account No.: Fund, Account, and Budget number completed by originating department.
3. Class No.: Classification of funds to be completed by originating department. (Complete listing of classification numbers available from Hospital Accounting.)
4. Bid No.: Number assigned by Materials for purchases requiring bidding. This same number will be referenced on the Request for Quotation (the document for requesting bid quotations).
5. Vendor Reference No.: To be completed by the originating department when the Order/Payment

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Request form is being used to make payment to a vendor. This reference number refers to the vendor's invoice number.

1. Purchase Order No.: Number assigned by Materials. This same number will be referenced on the Purchase Order form.
2. Sequence No.: Individual line item number to be completed by originating department.
3. Quantity: Amount to be ordered. Unit of issue is also to be included (i.e., 2. box/10 or 10 cases). To be completed by originating department.
4. Description: Full description of products to be purchased d(including manufacturer's product number) or full explanation of payment to be made, completed by originating department.
5. Unit Price: Price per unit of issue, to be completed by ordering department. This must be up-to-date and exact. If pricing has not been obtained, department should leave blank and the Materials buyer will obtain.
6. Extension: A total figure per line item obtained by multiplying quantity ordered times individual unit price. This is to be completed by originating department.
7. Total: A grand total figure of the extensions of the line items. To be completed by originating department. An exception is made for annual contracts: \$00.00 is filled in for the total amount.
8. Source/Payee: Originating department is to specify source(s) to be purchased from or sent bids, or the payee to receive payment. Any payee receiving payment should be listed with home address for mailing of the check.

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9. Social Security Number: Any payee designated to receive payment for salary expenses must list Social Security number for reporting to Internal Revenue Service.
 10. Deliver to: The originating department should specify exact delivery instructions. The first box should be checked for all deliveries to be received at the Hospitals' main receiving dock at 425 East River Road. In addition, the building and room number should be designated so that receiving dock employees are able to deliver to an exact location. The second box will be used for deliveries to the Hospitals' Distribution Center. The third box should be checked for those locations off-site not serviced by the Hospitals' main receiving dock. Persons at these off-site locations must forward receiving packing slips to Materials Services.
 11. Hospital Department, Prepared By, Authorized Signature: Originating department should list the department name and the person responsible for the preparation of the document who can answer questions regarding the purchase or payment. The Authorized Signature must be filled in by the authorized person on the particular account number used.
 12. Check Request: In order for payment to accompany the purchase order, a check must be placed in the box in this area and a signature of the department head or designee is required. The check voucher number will be filled in by Materials Services. The department copy of this form returned to the department after processing will have the check voucher number stamped on it for reference.
 13. Reference: In order to aid the Materials Services Buyer in processing the order or contract request, the originating department is to list previous contracts or orders. If it is a new request, it should be designated as "new".
- A. The Requisition - Order/Payment Request Form is a four-part form processed as follows:
- Part 4: Retained by originating Department.
 - Part 3: Returned to the department with check voucher number if a check is generated.

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Part 2: If a purchase order is generated, this part is stamped with the Purchase Order and filed in Materials by account number.

If a bid is generated, this part is filed in Materials by Purchase Order number along with Part number 2 of the Purchase Order.

Part 1: If a purchase order is generated, this part is stamped with the Purchase Order Number and filed by Purchase Order Number along with Part number 2 of the Purchase Order in the Materials Department.

If a bid is generated, this part is filed in a master bid file, numeric by bid number.

B. Abbreviations

The following abbreviations for unit purchase are recommended:

<u>Symbol</u>	<u>Definition</u>	<u>Symbol</u>	<u>Definition</u>
BB	Barrel	LT	Lot
BTL	Bottle	LF	Linear Foot
BG	Bag	M	Thousand
BX	Box	OZ	Ounce
BF	Board Feet	MF	Per 1,000 Ft
C	Hundred	PC	Piece
CD	Card	PD	Pad
CF	Cubic Foot	PG	Page
CI	Cubic Inch	PK	Package
CS	Case	PR	Pair
CW	Hundred Weight	PT	Pint
CY	Cubic Yard	QT	Quart
DM	Drum	RL	Roll
DZ	Dozen	RM	Ream
EA	Each	SF	Square Ft.
FT	Foot	SH	Sheet
GA	Gallon	SI	Square In.
GM	Gram	SP	Spool
GR	Gross	ST	Set
HF	Hundred Feet	SY	Square Yd.
IN	Inch	TU	Tube
KG	Kilogram	TN	Ton
LB	Pound	TO	Troy Ounce
LG	Length	UN	Unit

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Policy

It is recognized that, in most cases, competitive bidding provides the best opportunity to obtain a product or service at the best price. Therefore, transactions on material and/or services with an estimated total price that is established by the Hospital Director will be bid.

Procedure

- A. The individual departments have the option of establishing a bidding requirement of less than the \$2,000 limit.
- B. Bid requests should be typed by the Requestor using the standard Requisition/Payment Request form. Complete information must be provided including, but not limited to, quantity, description, bidding period, delivery requirements, special conditions, drawings, specifications, and date information required. If replies are to conform to a certain format, this should be clearly stated.
- C. An attempt shall be made to obtain a minimum of three bids, providing that the Purchaser is familiar with the market and the prices of the material in question. In the case of sole source items, more than one price is not possible and should be so noted on the Requisition (see Sole Source p. 20).
- D. The Purchaser, when obtaining bids, should keep in mind other departments of the Hospitals or University that may be able to provide the desired material or service. This interaction will be coordinated by the Materials Services Department.
- E. Bids will be solicited only from vendors whom the Purchaser knows are qualified or can be qualified to meet all requirements. Examinations of the financial condition of a company, its ability to perform, and its facilities should be part of the criteria for an acceptable vendor. The Materials Department will maintain and publish, on a quarterly basis, an acceptable vendor list.

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- F. Answers to technical questions arising during the bidding process should be provided by the requestor. The Purchaser must coordinate the reply and ensure all potential suppliers are provided with consistent information.
- G. All bids, unless obtained verbally such as in the case of phone bids, must be sealed and must arrive prior to bid closing date and time. Verbal and sealed bids may not be mixed for the same item. All verbal bids must be confirmed in writing prior to an award or purchase commitment.
- H. Bids from vendors that do not comply with applicable Federal and State laws and regulations relating to equal opportunity of employment or the applicable University of Minnesota Hospitals and Clinics policies relating to affirmative action and equal opportunity of employment, or the applicable regulations relating to the Set Aside Program, will not be accepted.
- I. If the products offered by each of the bidding vendors are of substantially equal quality, if each vendor can provide the same delivery date, and if there were no other pertinent considerations, the award/contract should go to the lowest bidder. For conditions to award to other than low bidder, see policy "Acceptance of Other-Than-Low Bid". (pp 18-19).
- J. Weighing the Importance of Delivery, Quality, and Price:

In many cases the relative importance of delivery, quality, and price have already been established and documented on a prior order. In such cases, the available information should be reviewed to establish that it is still current and relevant and if so the information may be used as a basis for the award.
- K. After all bids have been received and examined for completeness, a summary sheet is to be prepared noting all the pertinent data and deviations from specifications. Determination of the lowest bidder and award of the order will be made by the Purchaser only after all aspects have been considered.

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- L. In order to ensure that vendor contracts have responded to a bid request, Materials will identify on the Request for Quotation all vendors solicited and the responses.
- M. For bids of \$5,000 or more, unsuccessful vendors will be notified in writing within 10 days, but prior to bid award, that the bid has been closed, and the reason for rejecting the vendor's bid. For bids of less than \$5,000, the reason for rejection will be provided to the vendor upon request.
- N. Supplier quotations should be in response to a request from Hospital Purchasing. However, unsolicited bids will be considered if the vendor complies with all requirements after reviewing the open bid board located at the Hospital Distribution Center.
- O. When a supplier is given the opportunity to re-bid, all competing suppliers must also be given an equal opportunity to re-bid. Those conditions in which it is in the Hospitals' best interest to allow re-bidding include, but are not limited to, changes in requirements, changes in state-of-the-art concepts, new vendors on the market, drastic price changes, and lack of response from a sole source vendor.
- P. It is imperative that the supplier knows that:
 - 1. Precontract discussions should be considered informational;
 - 2. Any agreements reached are tentative until the Purchase Order is awarded.
 - 3. The Hospital assumes no contractual obligation to the supplier until a formal purchase order or letter of agreement is executed.
 - 4. The Hospital is not under any obligation to procure the items for which the discussions are conducted, and any cost incurred by the supplier prior to the placing of the order is at the supplier's expense unless otherwise agreed to in advance by the Hospitals and supplier.

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<p>Q. The Request for Quotation form will be used for all bid requests. Utilization of this method will provide necessary documentation and efficient communication pertinent to competitive transactions.</p> <p>R. The quote number will be cross-referenced to the contract or purchase order number. All communications or correspondence must reference the quotation number.</p> <p>S. Bids will be opened on Tuesday and Thursday at 1:00 PM at the University of Minnesota Hospitals and Clinics Distribution Center located at 883 29th Avenue SE. All bid openings are public knowledge and any interested parties may attend.</p> <p>T. Departments involved in specification drafting are encouraged to use various Hospital resources such as Hospital Engineers and BioMedical Engineering to help provide adequate technical support.</p> <p>U. All bidders must comply with the University of Minnesota Policy as it relates to Buy Minnesota - Buy USA.</p>		

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Title: BID THRESHOLD REQUIREMENTS		
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Policy

In order to remain responsive to the changing Health Care Environment, the University of Minnesota Hospitals and Clinics has established bid thresholds for the purchases of supplies, equipment, and services.

Procedure

- \$0 - \$1,999 May or may not be bid. The individual department may request written or telephone bids. The Materials Department may solicit written bids, take phone quotes, or place orders immediately, depending on the competitive nature of the items on the requisition and benefits to the individual departments.
- \$2,000 - \$4,999 Should have at least three bids, either written or telephoned, depending upon the competitive nature of the items.
- \$5,000 - And Up Must obtain three or more competitive written bids. These bids must be sealed and will be opened publicly and read to any interested parties.

All telephone bids must be confirmed in writing prior to an award.

Use of multiple requisitions is expressly forbidden where the result would be a possible avoidance of review, formal bidding, or other abridgement of these policies.

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Policy

University of Minnesota Hospitals and Clinics desires to obtain the necessary goods and services at the lowest possible cost. However, in a competitive bidding situation, there may be concerns regarding product quality and/or availability. When these concerns exist, the University of Minnesota Hospitals and Clinics may make an award to a vendor who is not the lowest bidder.

Procedure

- A. An award may be made to a vendor who is not the apparent lowest bidder under the following conditions:
 1. The low bid product is of inferior quality and may adversely affect the quality of care the Hospital seeks to maintain.
 2. The low bid product cannot be delivered in the time frame required by the Hospital.
 3. The low bid product cannot be supplied in the quantity required by the Hospital.
 4. The low bidder's performance record is below the Hospitals' acceptable standard, as determined by Material Services and the using department.
 5. The low bidder does not comply with the given specifications.
 6. The above conditions are not all-inclusive as at times there may be reasons that are particular to a given Purchaser or product.

- B. In the event that a Purchaser decides to award a contract to a vendor whose price is not the lowest, the Purchaser shall:
 1. Make a spread sheet listing all objective elements of the decision. (Refer to spread sheet in sample section.)
 2. Write a brief explanation of those factors that lead to the decision to award to other than the lowest bidder.

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<ol style="list-style-type: none"> 1. Have both the spread sheet and the explanation reviewed and approved by the appropriate Department Head or designee prior to placement of the order through Materials Services. 2. Concerns regarding conflict of purchasing practice will be resolved by the Hospital Administrator responsible for the department accepting other than low bid. 		

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Policy

Due to the unavailability of competitive sources, the University of Minnesota Hospitals and Clinics may purchase items on a sole source basis where circumstances warrant.

Procedure

- A. In order to justify sole source purchasing, both of the following conditions must exist.
 - 1. The item being purchased must be so unique that no competitive sources are available.
 - 2. The ordering department is unable to wait for the ten (10) working day bid process.

- B. If the Director of Materials Services decides the sole source purchasing is justified, approval will be recommended and sent to Hospital Administration for approval. These sole source approvals will be reported to the Board of Governors on a quarterly basis and to Hospital Administration on a monthly basis.

- C. The ordering department must explain via letter to the Director of Materials Services that either the department has investigated several firms (listing the firms) and found no other source available, or that all of the available sources found were, for specific reasons, unacceptable. The letter should also state the reasons why the department cannot wait 10 days for bids.

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Policy

In an effort to assure availability of needed products and maintain predictable pricing, the University of Minnesota Hospitals and Clinics will issue annual contracts when marketing conditions warrant.

Procedure

- A. The issuance of annual contracts should be considered when the Hospitals will:
1. Purchase repetitive, specified services or items or categories of items from the same vendor over the period of a year.
 2. Order standard materials or maintenance supplies which require numerous shipments.
 3. Enable the Purchaser to obtain more favorable pricing through volume commitments and firm pricing guarantees.
- B. Annual contracts generally should not be used when:
1. No benefit will be derived over and above a regular purchase order.
 2. Prices are unknown at ordering time, or subject to change later without notice.
 3. Quality of product or services is questionable.
 4. Substantive product changes are imminent.
 5. Product or service delivery time is not enhanced.
 6. Purchase volume cannot be ascertained for specified period of time.

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- C. Annual contracts are prepared using the formal requisition/payment request form and shall include the following information:
1. The period to be covered (normally, not to exceed one year).
 2. An extension clause, if applicable. (Provided all terms and conditions remain the same)
 3. Items and/or categories of items included.
 4. Minimum or maximum quantities, if any.
 5. Product or service description.
 6. Terms and billing arrangements.
 7. Personnel authorized to order from the contract.
 8. A cancellation clause.
 9. A "ship as called for," or standing order clause, if applicable.
 10. Manufacturer's catalog number and specifications, if applicable.
- D. In all cases, annual contracts must have the approval of the Director of Materials Services or designee prior to their placement.
- E. Price, F.O.B. terms, and quantity must be established before issuance of the annual contract. Specified quantities result in a contract for that quantity. Occasionally, where an order is intended to cover any item handled by the supplier, commodity, price, and quantity are not covered. Instead of the exact price, the manner or method of computing price should be agreed upon at the time the annual contract is drawn (i.e., list percentage of discount for price list).
- F. Annually, the appropriate user area will review all contracts specifically assigned to them and re-bid as required.

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Policy

In an effort to facilitate the purchasing process, obtain favorable prices, assure product availability, and obtain multiple items from an individual vendor, the University of Minnesota Hospitals and Clinics may issue blanket contracts based upon the following procedures.

Procedure

- A. Blanket contracts are to be used when:
1. Varied items from the same vendor are purchased over the period of a year.
 2. Total individual orders will not exceed \$500
 3. Volume commitments will enable the Purchaser to obtain more favorable pricing.
- B. Blanket contracts generally should not be used when:
1. No benefit will derive over and above a regular purchase order.
 2. Prices are unknown at ordering time, or subject to change later without notice.
 3. Quality of vendor or service is questionable.
- C. A blanket contract is prepared using the formal Requisition form and shall include the following information:
1. The period to be covered (not to exceed one year).
 2. Items and/or categories of items included.
 3. Maximum quantities, if any.

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Title: BLANKET CONTRACTS		
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<p>4. Prices and pricing arrangements.</p> <p>5. Terms and billing arrangements.</p> <p>6. Personnel authorized to order from the contract.</p> <p>D. In all cases, blanket contracts must have the approval of the Director of Materials or designee <u>prior</u> to their placement.</p> <p>E. Price, F.O.B. terms, and quantity should be established when possible before issuance of the blanket contract. When an order is intended to cover <u>any item</u> handled by the supplier, commodity, price, and quantity are not covered. Instead of the exact price, the manner or method of computing price should be agreed upon at the time the blanket contract is drawn.</p> <p>F. Annually, the Department of Materials Services will review and re-bid all blanket contracts. A list of all effective blanket contracts will be issued to Hospital users each year and will be updated as changes occur.</p>		

UNIVERSITY OF MINNESOTA HOSPITALS AND CLINICS		Approved By: ^{UMH&C} BD. of GOV.
		Date: 12-21-83
Title: NEGOTIATED CONTRACTS		
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Policy

The bidding process represents the usual and customary means for conducting the purchasing activity. However, in order to obtain needed supplies and equipment at the lowest possible price, the University of Minnesota Hospitals and Clinics may negotiate contracts with vendors who have indicated an intent to participate in the negotiation process.

Procedure

- A. All negotiations will be conducted by Hospital Administration with departmental consultation as required.
- B. The purpose of negotiation is to bring into existence a contract that is clear, concise, complete, and in the best interest of all parties to the agreement.

Negotiations should occur when the Hospital thinks it may affect a distinct price and/or delivery advantage by such negotiation.

- C. All negotiated contracts must receive final approval by the Hospital Director.

UNIVERSITY OF MINNESOTA HOSPITALS AND CLINICS		Approved By: ^{UMH&C} BD. of GOV.
		Date: 12-21-83
Title: PURCHASE ORDERS		
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Policy

In order to provide the appropriate safeguards over Hospital resources, all legal procurement transactions must be codified through the utilization of an official University of Minnesota Hospitals and Clinics Purchase Order.

Procedure

- A. All formal purchase orders for non-contract purchases shall be prepared from a properly completed requisition. The requisition is designed to contain all of the necessary information and signatures. The completion of the requisition by the Purchaser is the principal document used to prepare a formal purchase order.
- B. The formal purchase order will be distributed as follows:
 - 1st copy is mailed to the vendor by Materials Services.
 - 2nd and 3rd copies are held in Hospital Accounts Payable.
 - 4th copy is routed to Hospital Receiving.
 - 5th copy is returned to Hospital department placing original order.
- C. The formal purchase order is used as a written order to a vendor and may be either an original order or may confirm a verbal order. This form may also serve as a written change order. This form is typed from information supplied by a properly completed requisition as follows:
 - 1. Account Number: The department being charged for the purchase.
 - 2. Class: The category of the expense.
 - 3. Bid Number: The number of the annual contract if applicable.

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<p>4. Purchase order number.</p> <p>5. The date the order was placed, not when it was typed.</p> <p>6. To: Name and mailing address of vendor.</p> <p>7. Ship To: The Hospital location where goods are to be delivered or the service performed.</p> <p>8. Bill To: Hospital Accounts Payable.</p> <p>9. Address Questions To: Ordering Department, contact Personnel. Phone Number:</p> <p>10. F.O.B. Point: Point where the Hospitals assumes responsibility for the merchandise.</p> <p>11. Cash Discount: Vendor terms per contract.</p> <p>12. Delivery Due: The date that the goods are to be delivered or the service performed.</p> <p>13. Sequence Number: Each separate line item on the order should be numbered consecutively.</p> <p>14. Quantity: How many are being purchased on the order.</p> <p>15. Unit of Measure: What is the vendors sale quantity.</p> <p>16. Part Number and Description: What is the item being ordered including special conditions of the purchase.</p> <p>17. Unit Price: What is the individual price of the item being ordered.</p> <p>18. Total Extension: Unit price x quantity.</p> <p>19. Buyer Signature: Name of person authorizing the purchase.</p>		

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D. Purchase order numbers will be issued in numerical sequence and must be carefully controlled. Purchasing will keep a master log of all numbers issued.

This log is to include: - Date of Order
- P.O. Number (in numerical sequence)
- Vendor Name
- Value of P.O.
- Number of items
- Department originating document

E. Additions or changes to an order are made by preparing a letter indicating what changes are being made. The same purchase order number will be cited on the order.

When initiation and/or confirmation of a change necessitates preparing a second purchase order form, the following applies:

1. Maintain the original purchase order number and refer to it by date and number. Indicate change order across body of purchase order.
2. Follow the usual distribution steps for purchase orders and attach a copy to the purchase requisition.
3. Request that the supplier acknowledge the change in writing.

F. Written confirmation, plus the following steps, are required for all order "Cancellations":

1. Refer to the original purchase order by date and number.
2. Follow the usual distribution steps for purchase order, and attach a copy to the purchase order.
3. Request the supplier's acknowledgement of the cancellation in writing.

G. Purchasers are encouraged to negotiate freight into the material cost F.O.B. Destination.

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<p>H. It is recognized that requirements will arise whose urgency will dictate immediate processing (i.e., E.P.O.'s). In such cases, the department may contact the Purchasing Department to receive an emergency purchase order. The Purchasing Department will complete the requisition and send to the ordering department for authorized signature. Under these circumstances the department will give the Materials Buyer:</p> <ol style="list-style-type: none"> 1. The ordering Department Account Number 2. Class Number 3. The quantity to be purchased 4. A description of the item or service 5. The exact unit price 6. The extended price 7. The vendor requested 8. The name and phone number of the individual requesting the emergency purchase order <p>Every effort should be made by departments to minimize "emergency" transactions.</p> <p>I. In order to accomplish prompt receipt of materials as required by the user and efficient purchase request closure, Purchasing shall: Review the open order report weekly and:</p> <ol style="list-style-type: none"> 1. Examine all orders past due. Past due is defined as any order not received by the delivery date. 		

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2. Check with requestor to ascertain:
 - a. The material is still outstanding
 - b. The material is still required
3. If requestor states that material has not been received but is no longer required:
 - a. In "Description" area, write "Cancel" on Purchase Order and have requestor sign and date.
 - b. Have requestor call vendor and advise that purchase order has been cancelled.
4. If requestor states that material has not been received and is still required:
 - a. Call vendor and ascertain shipping date.
 - b. Note expected date of receipt on an open order report copy along with any other pertinent information derived from vendor.
5. If vendor states order has been shipped:
 - a. Obtain shipping date and carrier.
 - b. If shipment overdue, call carrier; or if vendor responsibility, have vendor trace and advise status.
 - c. If vendor states that material has been delivered, obtain name of receiver and date delivery slip was signed.
 - d. Trace such receipt.
6. If vendor states material has not been shipped and accepts cancellation:
 - a. Initial "Cancel" in "Description" section.
 - b. Forward cancelled order copy to Accounts Payable.

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7. If vendor states that material has not been shipped but was special-ordered and a charge levied for cancellation:
 - a. Ask vendor to delay cancellation notice.
 - b. Advise vendor of Purchaser's decision.
 - c. Make appropriate notation on Open Order Report.

8. Make copy of open order report with all notations and send to requestor.

9. On receipt of follow-up request from user or purchaser:
 - a. Examine appropriate order in file.
 - b. Contact vendor to determine status of order and liability to expedite.
 - c. Notify user of findings.
 - d. Depending upon results, complete transaction per instructions above.

UNIVERSITY OF MINNESOTA HOSPITALS AND CLINICS		Approved By: ^{UMH&C} BD. of GOV.
		Date: 12-21-83
Title: CAPITAL EQUIPMENT		
Effective Date: 1-3-84	Supersedes:	Page No.: 1 of 1

Policy

In order to effectively control capital cost, the University of Minnesota Hospitals and Clinics will provide Hospital departments with procedures for the funding and purchasing of capital items.

Procedure

- A. Any item of equipment of \$500 or more, with a three (3) year or greater life span, shall be considered capital equipment.
- B. All capital equipment purchases will comply with the Hospital current Policy on the Funding of Capital Equipment.
- C. Upon final approval by Financial Accounting, the Bid and Purchase Order Policies will apply.

UNIVERSITY OF MINNESOTA HOSPITALS AND CLINICS

Approved By: ^{UMH&C}BD. of GOV.

Date: 12-21-83

Title: RESTRICTED PRODUCT/SERVICE PURCHASES

Effective Date: 1-3-84 Supersedes:

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Policy

Due to the potential implications and nature of certain purchases, the University of Minnesota Hospitals and Clinics has established a listing of products and services which will be acquired consistent with the University procedures for purchasing such items or services.

Procedure

The following are to be regarded as restricted products/services purchases.

A. Consultants

A consultant is defined as "an individual or organization" who is engaged to give professional advice or services, for a fee, but not as an employee for the party that engages for consultant. This includes paid guest lecturers (and other paid guest speakers) when not acting as employees of the department or unit that engages them.

If the cost of the service to be provided by the consultant will be more than \$600, or is to be paid from sponsored program funds, the department utilizing the service must prepare and process a Memorandum of Agreement (BA Form 206). This must be reviewed and endorsed by the Senior Associate Hospital Director for Finance, prior to forwarding to the University Vice president for Finance for final approval.

If the cost of the service to be provided by the consultant will be less than \$600 and is to be paid from non-sponsored funds, the consultant may perform the service without a written agreement. After the consultant has performed the

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service, prepare a Combined Requisition/Payment to initiate payment to the consultant; include on the payment request a "Certification of Services Statement".

B. Radioactive Material

1. Fill in a Requisition/Payment Request in the routine manner.

CAUTION: Do not order any other materials on a Requisition for radioisotopes.

2. Type the user's NRC license number in the body of the Hospital Requisition/Payment Request.

NOTE: Users must have approved copies of the Application for Radioisotope Use in their possession.

3. Clearly specify unit of measure as mc. (millicurie) or uc. (microcurie).
4. Enter the NRC (Nuclear Regulatory Number) license number.
5. In the "Deliver To" space, type address stated below:

Receiving Room, 118 Boynton Health Service
 Attention: (Give name and location of approved radioisotope user)

6. Send the first three copies of the Requisition/Payment Request to the Health Physicist, Department of Environmental Health and Safety, Boynton Health Service, Minneapolis Campus.

NOTE: The Health Physicist must approve the Requisition. It is required by the University's radiation protection program.

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The Health Physicist forwards the approved Hospital Requisition/Payment Request to Materials Services where it is processed. Materials cannot place an order for radioisotopes without the approval of the Health Physicist.

When the shipment arrives, it will be delivered to the Boynton Health Service, which is the central receiving point at the University for all radioactive materials. After it is logged in and checked for damage by the Health Physicists, it will be delivered to the department without delay.

C. Controlled Substance

1. Complete a Hospital Requisition/Payment Request Form.
2. Have the user fill out and sign either a BNDD (U.S. Bureau of Narcotics and Dangerous Drugs) form 222 for schedule I and II substances or a DEA (Drug Enforcement Administration) form 336 for all schedule III, IV, and V substances.
3. Staple the BNDD form 222 or the DEA form 336 to the Requisition/Payment Form.
4. Send the forms to Materials Services. If the cost of the order will exceed \$2000, the BNDD or the DEA form should be held in the department until a vendor is selected from the bids.

Any user (doctor, research investigator) who wants authorization to use controlled substances must have a DEA registration number. This registration number requires an approved application of BNDD form 224 or 225, available from:

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Department of Justice
Drug Enforcement Administration
Room 402 U.S. Courthouse
110 S. 4th Street
Minneapolis, Minnesota 55401
Tel: 725-2783

The address entered on the application form must be the address to which the drug will be shipped; it will not be shipped elsewhere.

The user should complete the form through item 4. The user's immediate supervisor must sign item 5. The form should then be sent to the address noted on the upper right corner of the form.

D. Alcohol

1. Register with the Chemical Storehouse the names of two staff members who will sign orders and be responsible for the use of alcohol in the department.
2. Complete an Order for Alcohol. The form is supplied by the Chemical Storehouse along with the billing of the previous order.

Ethyl alcohol may be ordered only by departments having proper storage facilities and prior approval from the University police.

3. Use the Alcohol Requisition (BA Form 434) for withdrawing alcohol from the department's supply. Complete this each time an individual withdraws alcohol.

Accurate, complete, and current records must be kept by the department to account for all alcohol received from the Chemical Storehouse.

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4. Complete and send a Monthly Alcohol Report (BA Form 435) along with copies of form 434 to the Chemical Storehouse on the first working day of each month. Report all quantities in gallons or portions thereof to two decimal places.

The Monthly Alcohol Report is required by the United States Treasury. It shows how much alcohol was used during the month and how much the department has left at the end of the month.

These forms must be received by the Storehouse no later than the 5th of each month, whether or not any alcohol has been used.

E. Travel

1. All travel documents must be processed by Hospital Accounts Payable, once all required approvals have been obtained.
2. All travel documents must be accompanied by a completed Travel Authorization (type 06) and/or advance request.
3. All requests must be signed by the appropriate administrator.
4. Guidelines for travel are published in a pamphlet entitled "University of Minnesota Travel Regulations."
5. Upon completion of the requested travel, a "Travel Expense Voucher" must be prepared and returned to University of Minnesota Travel, 1919 University Avenue, after obtaining the appropriate administrative signature.

UNIVERSITY OF MINNESOTA HOSPITALS AND CLINICS		Approved By: ^{UMH&C} BD. of GOV.
		Date: 12-21-83
Title: SET ASIDE PROGRAM		
Effective Date: 1-3-84	Supersedes:	Page No.: 1 of 1

Policy

In order to extend an opportunity to small and minority firms, the University of Minnesota Hospitals and Clinics will institute a set aside program adopted by the Board of Regents.

Procedure

- A. The Set-Aside Program was mandated by Regents' Resolution dated October 12, 1979, which adopted Chapter 86 of the 1979 Laws as University policy.

Regents Policy States:

"To specifically seek out through a Set Aside program, within the needs, and framework of the University of Minnesota, small business firms, as well as firms owned by socially and economically disadvantaged persons; and involve them directly or indirectly in the University of Minnesota's procurement program."

- B. The Hospitals will seek to identify and buy from minority or small business vendors that have completed and have on file a current form certifying them as a minority or small business vendor.
- C. The Hospitals will assign an individual as Set Aside Coordinator and establish an annual program for submission to the University of Minnesota Set Aside Coordinator.

UNIVERSITY OF MINNESOTA HOSPITALS AND CLINICS

Approved By: ^{UMH&C}BD. of GOV.

Date: 12-21-83

Title: PRODUCT EVALUATION

Effective Date: 1-3-84 | Supersedes:

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Policy

In order to assure appropriate quality and maintain cost awareness, all medical/surgical supplies, excluding pharmaceuticals and food, must be screened by and formally evaluated through the Product Review Sub-Committee (a sub-committee of the Hospital Product Evaluation Committee).

Procedure

A. User-Generated Request

1. Following the receipt of appropriate input within the department, contact the Secretary of Product Review Sub-committee with the request.
2. The item will be placed on the sub-committee agenda following input from other appropriate resources, and the protocol on the Hospital Policy for Product Evaluation 13.6 will be followed.

B. Vendor-Generated Request

1. The Vendor will contact a Materials or Departmental Purchasing representative with a request for a product evaluation.
2. The Materials or Departmental Purchasing representative will contact the Secretary of the Product Review Sub-committee to place the item for consideration on the sub-committee's agenda.
3. The protocol on the Hospital Policy for Product Evaluation 13.6 will be followed.

UNIVERSITY OF MINNESOTA HOSPITALS AND CLINICS		Approved By: ^{UMH&C} BD. of GOV.
		Date: 12-21-83
Title: PRODUCT RECALL		
Effective Date: 1-3-84	Supersedes:	Page No.: 1 of 2
<p><u>Policy</u></p> <p>In order to provide a safeguard for patients and/or staff, the University of Minnesota Hospitals and Clinics shall maintain a Product Recall Program.</p> <p><u>Procedure</u></p> <p>A. Any department receiving a notice or product recall should notify the Department of Materials Services immediately.</p> <p>B. All devices internally identified as posing a threat to patient or staff safety shall be recorded by the user department through the use of the Incident Report Procedure.</p> <p>C. The Materials Services Department will maintain a central log of all recalls and will send duplicate copies to the user department(s). Initial entries shall include:</p> <ol style="list-style-type: none"> 1. Manufacturer's name; 2. Item code number (if any); 3. Lot number (if any); 4. Class or recall: <ol style="list-style-type: none"> a. I. Urgent - life threatening; Note: Class I devices involved in any recall shall be placed in immediate quarantine by the user or Materials Services and use immediately discontinued; b. II. Serious - corrective action required; c. III. Advisory; 5. Manufacturer's suggested action; 6. Date initiated, received, and in what manner; and 		

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<p>7. Action taken.</p> <p>D. Materials Services will notify all affected Hospitals and Clinics areas. A written record will be maintained by Materials Services of all product recalls.</p> <p>E. Materials Services will coordinate the collection and disposal of all non-pharmaceutical recall merchandise. Devices to be returned to the manufacturer for credit/replacement must be properly logged and handled with applicable shipping and freight regulations.</p> <p>F. All medical device alert records will be retained centrally in Materials Services for the duration of legal liability. All injuries concerning product recalls should be directed to Materials Services.</p> <p>G. Materials Services will subscribe to the "FDA Enforcement Report" or other appropriate recall notification services and communicate any product recalls to the appropriate department in a timely manner.</p>		

UNIVERSITY OF MINNESOTA HOSPITALS AND CLINICS		Approved By: ^{UMH&C} BD. of GOV.
		Date: 12-21-83
Title: PRODUCT ENDORSEMENT		
Effective Date: 1-3-84	Supersedes:	Page No.: 1 of 1

Policy

The Board of Governors of University Hospitals & Clinics prohibits endorsement or advertisement of products or services by Hospital staff. However, in order to maintain credibility in the health care field, all requests for approval of a news release or statements stating that the Hospital, or any of its operating units or personnel, uses a product made or service offered by another firm shall be referred to Hospital Administration for approval.

Procedure

- A. The vendor, through Materials Services, must obtain approval from Hospital Administration prior to associating their product with the University of Minnesota Hospitals and Clinics for advertising purposes.
- B. This request should be made in writing to the Department of Materials Services whose responsibility it will be to forward the request to Hospital Administration for approval.
- C. Approved product endorsements will be reported to the Board of Governors on a monthly basis.

UNIVERSITY OF MINNESOTA HOSPITALS AND CLINICS		Approved By: ^{UMH&C} BD. of GOV.
		Date: 12-21-83
Title: CONFLICT OF INTEREST		
Effective Date: 1-3-84	Supersedes:	Page No.: 1 of 1

Policy

Employees engaged in the purchasing function are expected to be free of interests or relationships which are actually or potentially detrimental to the best interests of the Hospital, and shall not engage or participate in any commercial transaction involving the Hospital, its affiliates, or divisions in which they have a significant financial interest.

Procedure

A conflict of interest is determined to exist where an employee:

Has a direct or indirect interest in or relationship with an outside party that might make possible personal gain due to the employee's ability to influence dealings; render the employee partial toward the outside party for personal reasons; or otherwise inhibit the impartiality of the employee's business judgement.

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		Date: 12-21-83
Title: GIFTS AND GRATUITIES		
Effective Date: 1-3-84	Supersedes:	Page No.: 1 of 1

Policy

Acceptance of gifts, personal loans, entertainment, or other special considerations from an individual or organization doing business with the University of Minnesota Hospitals and Clinics is unacceptable.

Procedure

Any employee not complying with this policy is subjected to appropriate disciplinary action.

UNIVERSITY OF MINNESOTA HOSPITALS AND CLINICS		Approved By: ^{UMH&C} BD. of GOV.
		Date: 12-21-83
Title: PURCHASES BY EMPLOYEES		
Effective Date: 1-3-84	Supersedes:	Page No.: 1 of 1

Policy

In order to avoid any conflict of interest and maintain adequate control of purchasing activity, employees may not purchase through the Hospital any materials purchased or used by the Hospital without following the procedure stated below.

Procedure

- A. Items being scrapped by the Hospitals and sent to University inventory may be purchased via the Sealed Bid System employed by University Property Accounting.
- B. Information concerning the University of Minnesota Property Accounting Sealed Bid System may be obtained by contacting that department at 3-2118.

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		Date: 12-21-83
Title: PURCHASES FROM EMPLOYEES		
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Policy

In order to avoid any conflict of interest, the Hospital shall not purchase any goods or service from any employee or immediate family member of employee without the prior consent of the Hospital Director.

Procedure

- A. If a department wishes to purchase an item or service from an employee or immediate family member of an employee, the department shall submit in writing, through the appropriate administrator to the Hospital Director, the department's reasons for such purchases.
- B. All documentation of such purchases will be on file in the Materials Services Department.

UNIVERSITY OF MINNESOTA HOSPITALS AND CLINICS

Approved By: ^{UMH&C}BD. of GOV.

Date: 12-21-83

Title: VENDOR CONTROL

Effective Date: 1-3-84

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Policy

In order to facilitate patient and employee safety, the activities of representatives of all companies with products within the University of Minnesota Hospitals shall be governed by procedures approved by the Product Evaluation and Standardization Committee and Hospital Administration.

Procedure

- A. All representatives wishing to promote their company's products within the University of Minnesota Hospitals shall be registered with the Department of Materials Services. Registration is accomplished by completing the Registration Form. The form shall be given to the Materials receptionist when completed. Notification to the Department of Materials of any change in the information contained on this form shall be the continued responsibility of the representative. All pharmaceutical representatives will register with the Department of Pharmaceutical Services and follow the appropriate protocol.
- B. The representative shall consult with a Materials representative prior to any visit into the institution and shall be issued a badge identifying the individual as a vendor representative. The badge shall be returned to the Materials Services Department at the end of the visit.
- C. Representatives shall be seen at the Department of Materials Services by appointment only. Each representative may call between 8:00 AM and 4:30 PM on Monday, Wednesday, and Friday. Appointments shall be scheduled through the Materials representative (telephone 376-4460 or 376-3590). Urgent or pertinent information concerning products stocked by the Department of Materials Services shall be communicated by phone at any time. The Department reserves the right to contact representatives when necessary.

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<p>D. The following shall be accomplished during the scheduled appointments:</p> <ol style="list-style-type: none"> 1. Discussion of the latest product(s) released by the representative's company since the last visit, and having the representative leave or mail two (2) copies of literature concerning the product to the Department of Materials Services. When available, technical bulletins, publications, or reprints shall be provided. 2. Advisement as to product changes, price changes, etc. 3. Assistance in the processing of all return goods for credit requested. <p>E. Representatives' activities shall be confined to non-patient care areas. Representatives are not permitted to conduct their business in clinics. Appointments with physicians shall be held in physicians' offices.</p> <p>F. Company catalogues shall be supplied by the vendor.</p> <ol style="list-style-type: none"> 1. One copy of each company's catalogue shall be located in the Purchasing library. 2. Each catalogue shall contain the name, address, and telephone number of the representative. The representative shall assure that updates are being sent to the Materials Services Department. <p>G. Displays are prohibited in the University of Minnesota Hospitals without the consent of Hospital Administration.</p> <p>H. Any infraction or abuse of the above Policy and Procedure shall be reviewed by the Product Evaluation and Standardization Committee and may result in the withdrawal of vendor privileges at the University of Minnesota Hospitals and Clinics.</p>		

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		Date: 12-21-83
Title: VENDOR SAMPLES		
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Policy

In order to assure access to new products and control the flow of products, the University of Minnesota Hospitals and Clinics will accept vendor samples for evaluation under conditions stated in this procedure.

Procedure

When vendors provide samples for evaluation, they will be accepted only under the following considerations:

1. The product is one which is of a type presently in use or is of potential use to the Hospitals. Samples of goods not likely to be purchased will not be accepted.
2. The quantity or size of the sample is relatively small and of low value. The object of a sample is the examination of its fitness for Hospital use.
3. If vendor supply samples are accepted, they shall be promptly conveyed to the appropriate department for evaluation.
4. If a vendor sample is an item of equipment, the item must be inspected and approved by BioMedical Engineering prior to delivery to the area requesting the sample.
5. Any manufacturer warranty and liability will be in effect for any product samples being formally evaluated by the Hospitals.
6. The vendor may follow up with the appropriate buyer on any samples left for evaluation.
7. All devices must be tested for safety, and labelled as such, by BioMedical Engineering prior to any clinical use.

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Policy

In order to assure adequate vendor performance, the University of Minnesota Hospitals and Clinics may under certain defined situations remove a vendor from the Approved Vendor List.

Procedure

It is inevitable that some vendors will not perform in the best interests of the Hospitals, and it will be necessary to address these problems in a swift and equitable manner for all concerned. In addition, varying degrees of vendor misconduct can cause irreparable harm to the Hospitals and its departments. It is therefore recognized that penalties for poor vendor performance must be addressed.

- A. Removal from a vendor list may be considered for the following vendor infractions.
1. Repeated failure on the part of the vendor to respond to repeated bid requests in a timely fashion.
 2. Efforts by the vendor to bid lower-priced alternatives which do not meet the product requirements specified in the bid request, or which are ridiculously dissimilar to the items requested as described.
 3. Repeated failure on the part of the vendor to meet promised and/or required delivery dates.
 4. Delivery by the vendor of unacceptable substitutes in lieu of the item(s) specified on the approved bid and/or purchase order.
 5. Repeated failure on the part of the vendor to meet EEOC and other requirements mandated by public legislation or the Board of Governors.
 6. Violation of existing "vendor control policies".

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<p>7. Problems created by the vendor regarding incorrect or inappropriate billing and adjustment for goods or services furnished.</p> <p>8. Failure to support purchased products by not supplying necessary information, required maintenance and/or parts.</p> <p>8. Where vendor performance (or lack of performance) falls under the category of criminal violation, or civil liability (including without limiting product failure liability, EEOC violations, etc.), such vendors will be disallowed from continuing to do business with University of Minnesota Hospitals & Clinics.</p>		

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Policy

Occasionally it becomes necessary to return materials ordered because the goods are no longer required, excess materials was ordered, or the material as received is not acceptable. Therefore, the University of Minnesota Hospitals and Clinics will establish a procedure for the return of unwanted merchandise.

Procedure

1. The requestor is responsible for the identification and return to Central Receiving of all items requiring return. The requestor will prepare a Return Request identifying each item to be returned. The original purchase order number will be identified as well as the original vendor. The Return Request and the material will be returned to the Shipping Division of Materials.
2. The Shipping Division will verify the items, complete the Return Request, properly care for the items, and notify the appropriate Buyer if applicable.
3. The Purchaser or Buyer will negotiate the return of the item. Any re-stocking charges or other damages due the vendor will be charged to the account number and cost center of original purchase.
4. If a negotiated return can be made, the Shipping Division will be provided appropriate return instructions. A Buyer will work with the user department to determine where to charge any costs.
5. If a negotiated return cannot be made, the items will be charged to the original purchaser and marked as surplus sales for disposition.
6. The completed return request will be forwarded to Accounts Payable with the appropriate disposition information noted on it.

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Policy

All awards for contracts are binding. However, in certain instances, the University of Minnesota Hospitals and Clinics may allow a vendor to have an award reviewed.

Procedure

A. Vendors may ask for a review of

1. Removal from the acceptable vendor list.
2. Awards in which all of the requirements, including low bid, have been met.

B. Process of Review

1. The vendor should, in writing, explain the reason for the review to the Director of Materials Services or designee. The vendor may also be asked to respond orally. A copy of the letter will be forwarded to the affected department(s).
2. The Director of Materials Services or designee will review the vendor's position as well as the Hospital decision and rule on the review. The decision must be in writing to the vendor.