

Good Samaritan Health and Wellness Center
Policies and Procedures

Subject: Purchasing	Policy #: 3.14
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3.14 Purchasing

Policy: The GSHWC purchases equipment, supplies, and services that are the best quality, at the lowest cost, and with timely delivery considerations. It is also GSHWC's policy to comply with applicable federal and state regulations and GSHWC's Conflict of Interest Policy. (Also refer to Policy 3.4 & 3.5)

Purpose: To be certain that GSHWC has a system of purchasing that establishes control of organizational spending and that follows federal and state guidelines related to procurement of goods and services.

Procedures:

Purchasing or leasing of most equipment, supplies and services is performed by the Materials Management Department through a system that tracks purchase requests and approvals. The Materials Management Department pre-qualifies vendors providing equipment, supplies and services for inclusion into the system by screening them against the names on the Office of the Inspector General's (OIG) List of Excluded Individuals and Entities, and the General Services Administration's (GSA) Excluded Parties List System.

Vendors who are on these lists or any other government exclusion or debarment list do not qualify as GSHWC vendors. The Materials Management Department reviews the status of each qualified vendor annually.

Vendors who have conflicts of interest under GSHWC's Conflict of Interest policy do not qualify as GSHWC vendors.

Only a department or program manager or his/her designee may initiate purchases. Purchase requests must be approved by the manager's department head, and it must meet the current

budgetary requirements of GSHWC. The CEO should approve the request if contracts are involved, plus any other department head/manager that is affected by the purchase (i.e., IT approval for software). Only after approval is documented will the Materials Management Department issue a purchase order.

Invoices will be paid only when purchased goods have been received, and an approved purchase order is matched to the invoice, which is sent to Accounts Payable.

Deviations from any purchasing procedures must be authorized by the CFO.

When purchasing professional services, GSHWC's policy on Contracted Services (Policy 3.26) must be followed.

Purchases of equipment, supplies, and services less than \$3,000, unless an exception by other provisions of this policy, are considered procurement by micro-purchase and do not require bids. Purchases between \$3,001 and \$ 150,000, are considered a small purchase and do not require competitive bids, although verbal or written bid and documentation are encouraged. Purchased in excess of the Simplified Acquisition Threshold (SAT) of \$ 150,000 required at least three sealed bids and should involve competitive bids. Purchases may not be disaggregated to circumvent this requirement. Bids are typically obtained by dissemination of Requests for Proposals (RFPs) or Requests for Quotations (RFQs). Publication in public media may be required in certain circumstances. In circumstances where it is difficult to obtain three competitive bids, an abbreviated purchasing procedure may be adopted if approved by the CEO. Justification must be provided when an abbreviated purchasing procedure is used, or if there is a single-source vendor. Awards are normally made to the lowest bidder when the quality of the product is not compromised, the delivery of such purchases is not delayed, and the operation of the organization is not compromised.

Purchases from Women and Minority-Owned Businesses

Because GSHWC recognizes the tremendous value of diversity in our society, GSHWC is committed to actively developing and supporting minority-owned and woman-owned businesses. GSHWC actively seeks out and promotes partnerships with minority-owned and woman-owned businesses.

Sole Source Purchases

The CEO may waive the bidding requirement if the requesting manager can demonstrate that only one vendor exists who can meet the need. The manager must submit a written waiver request and receive written approval by the CFO before submitting it to the CEO. The CEO must consider each case on its individual merits and make a decision based upon objective criteria, the needs of the department, best industry practices, and the best interests of GSHWC. For orders over \$5,000 (five thousand dollars), the CFO must sign off on the Purchase Order.

Federal and State Grants and Contracts

Expenditures made under grants and contracts must comply with all of the requirements of the grant or contract agency. Federal grants and contracts require compliance with federal procurement regulations in 45 CFR Part 74, Office of Management Budget (OMB's OMNI Circular and the U.S. Department of Labor's Office of Federal Contract Compliance civil right regulations). State grants and contracts require compliance with restrictions on lobbying, conflicts of interest, gifts to state officers, and campaign contributions. Principal investigators/grant managers should familiarize themselves with these requirements in advance of any proposed expenditures.

All items purchased under grants and contracts are under the ownership or stewardship of GSHWC, which delegates the responsibility for the care and operation of the equipment to the principal investigator or grant manager.

Emergency Procurements

Whenever scrupulously following these procurement policies and procedures, and taking the time to obtain the required quotations or bids or a Purchase Order would endanger anyone's life or health, degrade personal or company security, threaten structural integrity, jeopardize property, or severely limit GSHWC operations, employees are authorized to act without delay on their own personal judgment, as they see fit, in the best interests of GSHWC. Employees must consult with their supervisor, and/or the CFO, and/or other appropriate officers of GSHWC, as the specific situation warrants. A memorandum of explanation, outlining the actions taken, and the reasons should be sent to the CFO as soon as is possible following the emergency.

Tax Exemption

GSHWC is a tax-exempt nonprofit corporation and is therefore exempt from paying state sales taxes. However, GSHWC is required to pay certain taxes, such as hotel and restaurant taxes, county sales taxes and taxes on leased equipment. When a qualified tax-exempt purchase is made, the vendor must be provided with a copy of GSHWC's State of Georgia Tax Exemption Certificate.