



PURCHASING AND SUPPLIER POLICY

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PURCHASING POLICY

1. Purpose

The purpose of this document is to establish a uniform policy that governs the requirements for the commitment of Avalon Health Care Management, Inc. ("AHMI") funds, including contracts, purchase orders, recurring payments and non-purchase order requests. All such commitments involving AHMI shall be received, approved, executed, managed and retained in accordance with this policy.

The Procurement Department has primary responsibility for review, negotiation, and management of trade payable contracts, some of which are equipment purchases and lease agreements, facility service agreements, group purchasing agreements, software agreements and other general purchase agents in the ordinary course of business.

2. Scope

This policy applies to clinical, operational, administrative and research requests for the commitment of AHMI funds to external suppliers and vendors. It covers all staff and personnel under the Avalon Health Care Management Inc.

3. General Instructions

3.1 Employee Responsibilities

Each employee must read, fully understand the meaning of this policy, and to adhere to the policy and associated governance requirements.

3.2 Management Responsibilities

Management is responsible for the financial expenditure and review of monthly financial reporting and will commit to approving only appropriate and legitimate financial transactions; maintain appropriate documentation for expenditures; periodically monitor approved transactions; and report improper transactions and violations of this policy. Management is defined to be the licensed administrator (a

Review this policy and the standards behind it with all employees before their first purchase request on behalf of AHMI.

4. Purchase Methods

4.1 Purchase Order

All requests for goods and/or services which are detailed in the following list must be purchased using the Coupa purchase requisitioning/purchase order process.

A purchase order must be used for the following categories of spend:

- Capital purchases
- minor equipment (including computers, laptops, iPads)
- medical/surgical supplies

- MRO/ Housekeeping supplies

- maintenance supplies
- pharmaceutical products not sourced through primary vendor
- office supplies
- forms
- advertising services
- service contracts
- food and perishable products ordered by and shipped directly to Food Services
- management consulting and professional service agreements (except physician services)
- no-charge product and equipment evaluations (for tracking in case of loss or damage)
- patient refund requests

emergency expenditures should be done using the established authority limits with each corporate payment card holder and their respective positions. Emergency authorizations shall still require approval and submission through the normal PO process in Coupa within 72 hours and the PO given to the vendor for invoicing. Purchases outside of those parameters requires prior approval from the Director of Procurement. The Vice President of Procurement or at the direction of the CFO may modify this requirement from time to time.

All purchase orders, with the exception of contracted services and emergency after-hours purchase orders, should be authorized, approved, and dispatched prior to the commitment of AHMI funds. Purchase orders created after-the-fact for the purposes of paying invoices will be reviewed for their appropriateness. Violations of these requirements will be reviewed and may give rise to disciplinary action(s), as further set forth in Section 10.

A purchase order shall be generated for the same term and expected spend as its associated contract or agreement. All Open PO scenarios will be dealt with as contracts, and will have established term and dollar limits assigned.

4.2 Non-Purchase Order (“check request”)

The following categories of spend are authorized via use of check request.

- utilities
- rents
- insurance
- overnight mail shipping
- pharmaceutical products sourced through primary vendor.
- legal fees
- magazines, newspapers and journals
- memberships
- temporary agencies (Nursing and non-clinical)

- taxes
- payroll and related items (excludes Agency temps)
- bank transfers
- MD Foundations

In these cases, to utilize a Non Purchase request additional documentation or authorization is also required. Please see attached Obligation Authorization Matrix (Appendix 12.2) for additional detail.

PURCHASING POLICY

4.3 Expenditures excluded from this policy

Expenditures not covered by this Policy are the reimbursement of:

- Travel expenses [refer to Avalon Travel and Expense Policy], and
- Petty cash [refer to Petty cash Policy].

4.4 Invoices

Invoices for goods, supplies, equipment, and services on purchase orders are to be submitted directly to the AHMI Accounts Payable department by the supplier and **MUST** include a valid Coupa issued purchase order number. The Accounts Payable mailing address is:

Accounts Payable c/o
 [Facility Name]
 Avalon Health Care Management
 PO Box 16567
 Salt Lake City, UT 84116

Purchase order invoices with incorrect or missing information (e.g., purchase order number, invoice number, unapproved vendor, remit-to address) will result in a delayed payment, as additional time will need to be taken by the vendor and the AHMI department-head/principal investigator who initiated the transaction to correct the problem.

For additional details please refer to the Frequently Asked Questions (FAQs) section of Coupa:
<https://avalonhci.coupa.com/ask>

It is the responsibility of the individual who provides the purchase order to the vendor (buyer/department-head/principal investigator) to ensure with their vendor that all invoices issued by the vendor reference the correct AHMI purchase order number. If there is an updated contact that should receive a specific PO please document that requirement when completing the requisition so the Procurement team can direct the PO to the appropriate party.

4.5 Purchase Order Amendments (Change Orders)

Requisitions with a status of “Pending”, “Rejected”, “Disputed” may be edited by an authorized user. Any changes to a “Approved” requisition must be processed through a Buyer in the Procurement Department.

4.6 Rush and Emergency Orders

Procurement Management may authorize the use of rush or emergency orders for specific transactions.

These circumstances may include emergency supplies or extraordinary needs during non-business hours. A rush or emergency order transaction will be supported by an email, followed by an requisition and/or ane-mail notification from the appropriate signatory.

PURCHASING POLICY

Procurement Management will monitor rush/emergency order use and reserves the right to reject a rush or emergency order in favor of other alternatives unless authorized by a executive stakeholder.

Individual departments are prohibited from providing purchase order numbers to vendors outside of the approved process.

5. Authorization and Department Responsibility

5.1 Authorization

Coupa electronic requisitions are the method used to request purchase orders, and these requests are authorized via electronic approval workflow within Coupa. Depending on the nature of the goods or service being requisitioned, the requisition may also require corporate stakeholder (or commodity) and/or joint approval(s) for complex services or equipment.

Funding approval levels are governed by the Signature Authorization Policy (Appendix 12.2).

If exceptions to the standard terms and conditions are required, Procurement will negotiate these terms prior to final confirmation of the purchase order.

5.2 Departmental Responsibility

It is the responsibility of the department-head/principal investigator to verify that funds are available in the cost center or grant prior to approving a requisition.

It is the responsibility of the department requester to attach a copy of any quotes, contracts and/or agreements to the requisition before it is approved by the department head/principal investigator.

It is also the responsibility of the department-head/principal investigator to monitor their approved purchase orders to ensure that funds and/or product quantities have not been exhausted. If funds and/or product quantities have been exhausted, AHMI Accounts Payable will be unable to pay invoices.

When the value of an existing purchase order has been depleted, yet the need for continued service remains, the department-head/principal investigator must approve additional funds to be added to the purchase order, or to authorize a new purchase order, as appropriate. It is the responsibility of the department-head/principal investigator to communicate the authorization of additional funding to the appropriate buyer in writing and a PO change order request will need to be initiated.

Violations of these requirements will be investigated and may give rise to disciplinary action(s), as further set forth in Section 10.

6. Vendors and Suppliers

6.1 Eligible Vendors

In accordance with the AHMI New Vendor Policy prior to engaging the services and the release of any payment to a new vendor a Vendor Request form must be completed, submitted, and approved (Appendix 12.4).

It is the responsibility of the department-head/principal investigator to obtain from the vendor and suppliers the necessary documentation to complete a New Vendor Profile form including a W9. It is also the responsibility of the department-head/principal investigator to submit the New Vendor Profile form and W9

to set up the new vendor. These forms should not be submitted directly by the vendor. All new vendors will be subject to a compliance review and background screening through the Procurement Department to ensure Avalon is within the Federal requirements regarding vendors as part of its participation with Federal contracts.

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The Accounts Payable Department will verify that all new vendors:

- Comply with Internal Revenue Service (IRS) tax reporting requirements.
- Are properly classified as a corporation, LLC, individual, sole proprietor, or employee.
- Profile and Payment is setup appropriately in the ERP.

The Procurement Department will verify that all new vendors:

- Have been reviewed for existing contractual arrangements, including potential cost impact.
- Conform to AHMI's conflict of interest regulations.
- Have not been suspended, sanctioned, or restricted from participating in any federal or state healthcare program.
- Vendor Onboarding and AHMI acknowledgements for code of conduct are signed and in place.

6.2 Competitive Bidding

The utilization of competition as a primary commercial strategy is encouraged for all agreements, regardless of value. The Procurement department will attempt to secure at least three (3) competitive bids for all single item and service expenditures greater than \$10,000 or \$25,000 when Government funds are involved, with the following exceptions. Note that when federal funds are involved, at least two (2) competitive bids will be sought for all single item and service expenditures greater than \$25,000 with the following exceptions:

- Supplies and services included in existing GPO contracts
- Supplies and services included in existing local contracts
- Niche Pilot Programs with an evaluation period.

The United States Office of Management and Budget (OMB) issued a set of regulations pertaining to the use of federal funds. **These guidelines specify their own competitive bidding and sole source expenditures.** See Appendix 12.5 for information regarding guidelines.

Requested exceptions to the competitive bidding procedure require written justification from the responsible Vice President and completion of the AHMI Supply Chain Management Sole-Source Justification Form (Appendix 12.6 and Appendix 12.7 for Federal funds), although frequent purchases of highly specialized items (same vendor and same item) will require justification Form each year.

Procurement shall review and assist with coordination of all bids for capital purchases greater than \$50,000 and material contracts that are greater than \$25,000 per year. Pre-negotiated quotes for capital presented for purchase without the involvement of Procurement shall be held for review. Negotiations for service contracts associated with capital acquisitions shall be conducted separately from the negotiations for the acquisition of capital equipment. Procurement will evaluate contract offerings and if necessary conduct requests for proposals to establish a best value approach to new contracts.

6.3 Commitments to Vendors and Suppliers

Only those reviewed by Avalon's legal counsel and approved by the Procurement Department may enter contract or commitments for goods and/or services with external vendors and suppliers on behalf of AHMI. Commitments shall be only made via signed contract or PO issued via the Contracts and Procurement team. Commitment through letters of intent and any verbal commitments to a supplier not be recognized. The purchase of expendable or capital supplies outside of the normal purchasing process is prohibited.

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7. Payment Methods

7.1 Vendor Compliance and Payment Terms

To ensure that AHMI meets the legal requirements of our contractual arrangement with our vendors, vendors are advised of the AHMI procurement and payment process upon initial approval/activation and periodically as these processes are modified. Vendor compliance with these conditions ensures a standardized and prompt process for the ordering and payment of goods and services provided to AHMI and the managed companies it represents.

- It is an ongoing requirement that all invoices associated with purchase orders that our vendors provide to AHMI must list a AHMI generated purchase order number (e.g. GENFD0000123456). Invoices without a purchase order number will result in delayed payment, as additional time will needed by AHMI to correct the problem. AHMI highly recommends that vendors require their sales team to ask for purchase order numbers from AHMI at the time of taking orders.
- Major Vendors will be asked to provide quarterly aging for validation of PO to Invoice matching.
- Payment terms are set at the AHMI enterprise standard of 60 days for Major vendors from date of invoice however may vary on a vendor by vendor basis and are subject to method of payment.

8. Purchasing Requirement

8.1 Return of Goods

Any non-pharmacy items being returned to the supplier for credit or replacement must notify Procurement in order to ensure that proper return and credit procedures are followed, except when PO receiving is being completed for the order directly in Coupa. In the case that receiving is being completed directly in Coupa the item should be marked as not received and a note to the supplier rejecting the item be created. Failure to coordinate a return through Procurement will likely result in a delay in the credit being recorded to the company/department. Pharmacy returns are coordinated through the Pharmacy directly.

9. Purchase Order Close Out

Procurement will review the open purchase order report on a monthly basis. Open items that are past the expected delivery date will be expedited and the purchase orders updated. Soft close of PO's will be initiated for fully invoiced PO's at 30 days, and PO's with no activity for 180 days will be soft closed as abandoned orders. Vendors will be instructed that backorders exceeding 90 days should be cancelled and alternatives proposed to the requester.

10. Ethical Standards

All employees are expected to interact with external vendors and suppliers in a manner consistent with the ethical business practices set forth in the Code of Conduct and AHMI's Conflict of Interest Policy.

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Failure to comply with this policy is a breach of AHMI's Code of Conduct and will be investigated. Action will be taken to ensure inappropriate usage does not continue, up to and including termination.

11. Monitoring Plan

AHMI has a supplier monitoring program in place that serves as an independent resource for monitoring vendor exclusion. Hansen and Hunter also provide audits for internal controls, with primary responsibilities including internal audit, oversight and advisory services. In addition, the Financial Reporting Department works with external auditors to coordinate audit activities. Internal Audit has full, free, and unrestricted access to all accounts payable information, documents, records and personnel in conjunction with audit activities and is responsible for conducting operational and financial internal audits and evaluations of AHMI's system of internal controls. Internal and External audits shall include assessments of the reliability of financial information, compliance with this and other AHMI policies and procedures, compliance with laws and regulations, safeguarding of assets, and the effectiveness and efficiency of operations.

Appendix

12.1. Obligation Authorization Matrix

Type of Expenditure	Form(s) to be used	Comments	Requisitioner	Dollar Threshold	Required Approval for #
Capital Expenditures: GL 1688 All construction, renovation, office and clinical equipment. Examples: Furnishings, workstations, software, CT scanners, etc.	Purchase Requisitions, plus Capital Budget Spending Request Form more than \$1,500 (see Finance section of CHB website)*. Items above \$400,000 including contingency and/or substitute items also require prior approval by CFO/ Board Approval.	All forms of payment are included (direct purchase, operating lease, capital or financing lease, debt, and usage agreements such as reagents). May require legal review and consultation with Director of Cash Management and Director of Procurement.	The Manager of the requesting Department must approve each Coupa requisition prior to review by Procurement, and the Capital Steering Committee.	Thresholds are calculated for individual items with a value of at least \$1500 per item and a useful life of at least three (3) years.	*Refer to Capital Expenditure Policy for specifics. \$5,000 Regional Vice President \$5,000-\$400k Capital Steering Committee \$400k+ Executive Management Approval with Board notification.
Minor Equipment: GL 6660 All construction, renovation office and clinical equipment valued under \$1,500. Examples: Furnishings, software, carts, thermometers, etc.	Purchase Requisition	All forms of payment are included (direct purchase, operating lease, capital or financing lease, debt, and usage agreements such as reagents). May require legal review and consultation with Supply Chain Director.	The Manager of the requesting Department must approve each Coupa requisition.	Items with a value of less than \$5000, a useful life of less than three (3) years, but not a disposable item.	0 - \$1,500 Manager/Administrator \$1,500-5,000 - Director/RVP \$5,000+ Vice-President/Director Of Procurement, CFO, CEO
Non-stock items: Examples: gloves, catheters, office supplies, maintenance supplies, etc.	Purchase Requisition	Includes medical and non-medical supplies and blanket or standing PO items.	The Manager of the requesting Department must approve each Coupa requisition.	Thresholds are based on total value of the requisition.	0 - \$10,000 Manager \$10,000 - \$25,000 Director \$25,000+ Vice-President (or designee), plus Procurement Director (or designee)
Stock items: Examples: Valuelink supplies, Stat Room and other inventoried products.	Purchase Requisition		No approval is necessary for stock items. Note: Approval will be required if combined with a non-stock item(s) on a Coupa requisition.	N/A	N/A

- Approval levels are defined by the dollar threshold with the average approvals needed to be below 1.5 and capital purchases to below 4.

Type of Expenditure	Form(s) to be used	Comments	Requisitioner	Dollar Threshold	Required Approval for #
Services Contracts: Examples: Repair and PM Agreements for Scanners, Mailing Machines, copiers, software maintenance, etc.	Contract Request Form	Includes medical and non-medical equipment. May require Legal review and consultation with Supply Chain Director.	The Manager of the requesting Department must approve each Coupa requisition.	Thresholds are calculated based on total contract value.	Defined by Approval Hierarchy
Repair and Maintenance not Under Contract: Examples: time and materials repairs, break/fix, etc.	Purchase Requisition	Includes medical and non-medical equipment. May require Legal review and consultation with Supply Chain Director.	The Manager of the requesting Department must approve each Coupa requisition.	Thresholds are based on the total value of the requisition.	Defined by Approval Hierarchy
Management & Professional Service Agreements except Legal and Physician contracts: Examples: Auditors, consultants, housekeeping services, temporary staffing, etc.	Purchase Requisition	Includes medical and non-medical services. May require Legal review and consultation with Supply Chain Director.	The Manager of the requesting Department must approve each Coupa requisition.	Thresholds are calculated based on renewal period value.	Defined by Approval Hierarchy
Legal Professional Services Agreements: Examples: Arbitrators, speciality litigators, other legal fees, etc.	Payment Request Center	Legal review required prior to signing			Defined by Approval Hierarchy

- Approval levels are defined by the dollar threshold with the average approvals needed to be below 1.5 and capital purchases to below 4.

Type of Expenditure	Form(s) to be used	Comments	Requisitioner	Dollar Threshold	Required Approval for #
Physician Professional Services Agreements: Examples: Locom tenens, pathologists, etc.	Payment Request Center	Legal review required prior to signing			Regional Vice-President (or designee) and Procurement
Professional Fees not covered by a Professional Services Contract: Examples: Bank fees, accounting fees, collection fees, payroll and related items, etc.	Payment Request Center				0 - \$10,000 Manager \$10,000 - \$25,000 Director \$25,000+ Vice-President (or designee)
Real Estate: Examples: Property purchases and leases, etc.	Payment Request Center	Legal review required prior to signing			Consultation and approval by Director of Plant Operations, Director of Procurement, CFO
Other non-PO expenditures: Taxes, utilities, insurance, financing, direct Pharmacy purchases, direct overnight shipping, periodicals, advertising, MD Foundations	Payment Request Center				0 - \$10,000 Manager \$10,000 - \$25,000 Director \$25,000+ Vice-President (or designee)

- Approval levels are defined by the dollar threshold with the average approvals needed to be below 1.5 and capital purchases to below 4.

12.2. Authorization Table and Signatories

Avalon: Authorization Policy		
First Published:	Updated:	Effective Date:

1. Purpose

To define and standardize the approval levels required for the authorization of capital and operating purchase requisitions and Non Purchase order requests, and contract documents.

2. Non-purchase order requests and Purchase Requisitions

All purchase requisitions and non-purchase order requests require proper authorization, as detailed in Avalon’s Roles and Authorization Schedule.

In rare cases, it is understood that individuals below a manager level might need to be delegated approval authority. These rare exception requests will be reviewed and approved by Finance (CFO) prior to granting approval authority.

3. Contract Documents

The department submitting the contract proposal shall give authorization to pursue negotiation of legal and business terms according to the Roles and Authorization Schedule:

The following individuals are authorized to sign contracts on behalf of Avalon Health Care Management Inc., but all signatures should be done through and recorded when possible in AHMI’s contract management system. All wet signatures should be collected, scanned, and submitted in Coupa using the Contract Form Request for processing.

- 1. Doug Roth..... Primary Signatory VP of Procurement
- 2. Alan Hash..... CEO
- 3. Anne Stuart CFO
- 4. Board/Chairman

Facility Administrators or Executive Directors are allowed to sign on behalf of the respective facilities that they are licensed to operate, but all contracts must be submitted into Avalon’s contract management system and reviewed and approved by Avalon’s legal counsel and Procurement to ascertain risk to the company and non-conflict with other contracts and services. It is the signatory’s responsibility to ensure that contracts are reviewed and collected in AHMI’s contract management system at the time of execution. All wet signatures should be collected, scanned, and submitted in Coupa using the Contract Form Request for processing. Procurement and Senior Management reserve the right to elect to conduct a Request for Proposal or Request for Quote for contract or services offers that fall outside of the Uniform Guidance outlined in Section 12.5 but where competitive advantage is deemed necessary to validate.

12.3. New Vendor Policy

New Vendor Policy

The Avalon Health Care Management Inc (AHMI) policy and procedures requires that a New Vendor Profile form be completed, submitted, and approved prior to engaging the services of a vendor that is new to the enterprise. In the case of Managed buildings where AHMI is not the owner/operator a new vendor setup will be required for vendors specifically in the facilities name to ensure account liability is retained with that ownership group. Any accounts entered or used for those managed entities that are AHMI's liability must be communicated and approved by senior management and the respective ownership. All liabilities incurred by the vendor outside that process will not be AHMI's responsibility and will be rejected.

Purpose

Through this policy, AHMI will verify that all new vendors:

- Comply with Internal Revenue Service (IRS) tax reporting requirements.
- Have not been suspended, sanctioned, or restricted from participating in any federal or state healthcare program.
- Are properly classified as a corporation, LLC, individual, sole proprietor, or employee.
- Have been reviewed for existing contractual arrangements, including potential cost impact.
- Conform to AHMI's conflict of interest regulations.

Note: Employees will be added and approved to the Vendor Master File for purposes of expense reimbursement by Accounts Payable Department Manager and signed direct deposit form.

If you have a question on this policy, please contact the Procurement Department at procurement@avalonhealthcare.com or 801-325-0166.

Scope

This policy requires the completion and approval of a New Vendor Profile Form and that the vendor provides a W9 prior to a vendor being permitted to conduct business with AHMI. This requirement applies to new vendors as well as for the re-activation of inactive vendors for purposes of:

- Purchase Orders
- Non Purchase Requests
- Contracts
- Information Access

Process Overview

If an employee finds that a vendor of interest is not listed as an active AHMI vendor, it should complete a New Vendor Profile Form listed in Coupa and Procurement or the relevant department will review prior to engaging the services of that vendor. The profile form is located on the Coupa homepage under forms:

https://avalonhci.couphost.com/requisition_lines/pop_popup/6?first_add=true&requisition_line_template=true

Please refer to Coupa under Suppliers to view active vendors: <https://avalonhci.couphost.com/suppliers>

Completed New Vendor Forms will be submitted via electronic workflow to the procurement and accounts payable team members for review and processing.

Note: As tax identification numbers must be included on the new vendor request.

The Financial Reporting department will review the New Vendor Profile Form submission for completeness. If issues are noted, the Requestor will be contacted for resolution. If approved, the vendor will be categorized and routed as follows:

- Vendors identified as a supplier of goods and/or services or an attorney will be forwarded to the Purchasing department for additional review prior to being added to the Vendor Master File.
- Vendors identified as independent contractors will be forwarded to the Accounts Payable Department for review and collection of certificates of insurance information prior to being added to the Vendor Master File.

The Financial -AP Department will perform the final approval and activation of all new vendors prior to them being listed in the Vendor Master File.

Note: If the Accounts Payable Department determines that the vendor does not meet the criteria for an independent contractor and may represent a prospective employee, the request will be routed to Human Resources for follow-up.

Customer Service

The Financial and Procurement Department's goal in implementing the New Vendor Profile policy is to provide the highest levels of customer service consistent with an accurate review of the submission. Please allow up to 3 business days for review and activation. Missing information and sourcing conflicts will delay review and extend the review. AHMI is a supporter of value based purchasing and will review and evaluate vendor opportunities based on a total cost of ownership as a service based approach.

Related Content

- [New Vendor Profile Form](#)

Document Attributes

Title	New Vendor Policy		
Authors	Director, Procurement, VP of Procurement,CFO	Effective Date	
Reviewed/ Revised by		Dates Reviewed/ Revised:	
Approved	<u>Signature On File:</u> Chief Financial Officer VP of Procurement		

12.4. New Vendor Form

Vendor Request Form

New Vendor Request Form

PROCEDURE FOR NEW VENDOR REQUESTS:

- Complete all contact information for vendor with the best contact name and email address
- All new vendors must have a street address, even if the payments are sent to a P.O. Box.
- Enter the telephone # (in case corporate has a need to call vendor).
- Please describe the products or services to be purchased for
- Procurement will evaluate if an existing primary vendor is available.

New vendors must fill out and sign a W-9 form (no more than 12 months old) and ACH if possible. The forms are attached to this document. You can also find copies under: <http://merlin.avalonhealthcare.com/departments/Accounts Payable Forms>.

Scan the Vendor Information Form and the W-9 Form (if needed) to yourself and then attach the form to your request. If the vendor is a contractor, you also must include a Certificate of Insurance with the facility being named. NOTE: A Check Request Form does not take the place of the Vendor Information Form, both must be submitted for processing.

* Request Type
New Vendor

* Please describe and justify why this vendor should be added and if it replacing an existing vendor:

NEW VENDOR INFORMATION:

* Describe the services or supplies being provided:

* Company Name:

* Tax ID#(EIN or TIN):

* Contact Name:

* Phone Number:

Save

Vendor Request Form



* Email Address:

Address:

* Street or PO Box:

* City:

* State:

* Zip Code:

* Item

Vendor Information Form

* Supplier ★★★★★

FAKE NEW
SUPPLIER

* Commodity

General Accounting

* Unit Price

0.00

USD

Unspsc Code

Select

Supplier Part Number

Shipping

Ground

Payment Terms

60

Need By

mm/dd/yy



Backing Document

None

Savings %

Transmission Method

Supplier Default

Manufacturer Name

Manufacturer Part Number

Facility Code

010

PPD Item?

Comments

Attachments

Add [File](#) | [URL](#) | [Text](#)

ACH_FORM_.pdf

W-9_Form.pdf

Save

12.5. OMB Uniform Guidance

Uniform Guidance (“UG”) is a set of regulations (located at 2 CFR 200) that consolidates federal guidelines impacting research administration. While AHIM is not subject to these regulations we are adopting similar methodology to focus on improving performance and outcomes. The intent is to reduce administrative burdens for back-office services, reduce the risk of waste, fraud, and abuse, and stimulate a competitive commerce environment.

Procurement guidance is specifically located in sections 200.317-200.326. This guidance focuses on **increased competition and transparency in the procurement process.**

There are five general procurement standards that cover the purchase of property, supplies and services under the Uniform Guidance. These standards apply only to purchases from qualified suppliers. In certain instances, purchase orders are used to facilitate payments to sub recipients, payments to collaborating institutions for use of their core facilities, payments to academic institutions for salaries and benefits, tuition and fees, trainee stipends and graduate student compensation. These payments are excluded from the following standards:

1. The organization (AHMI) must maintain written policies and procedures for procurement.
2. Costs must be reasonable and necessary
3. Encourages full and open competition
4. The organization (AHMI) must maintain written standards of conduct covering internal and external conflicts of interest.
5. The organization (AHMI) must maintain documentation addressing cost and price analysis and vendor selections where applicable based on the method of procurement used.

Using AHMI Preferred Suppliers satisfies all competition requirements and does not require documentation of competition. These suppliers have been selected through a formal sourcing process and meet AHMI’s competition requirements. In addition, these suppliers have multi-year contracts in place with AHMI that feature negotiated pricing, and other terms and conditions.

When making purchases from suppliers that are not AHMI Preferred, the following **five methods of procurement** for each purchase must be followed:

1. Micro-purchases: up to \$25,000

The AHMI must distribute micro-purchases equitably among qualified suppliers unless there is a compelling customer service or delay in estimated delivery time.

- Micro-purchases may be awarded without soliciting competitive quotations if the non-Federal entity (AHMI) considers the price to be reasonable.

2. Small purchases: Between \$25,001 and \$100,000

- Rate quotes must be obtained from an “adequate” number of qualified sources. At least two sources are needed to have met this requirement.
- Quotes can be obtained from suppliers or from public websites and included as backup documentation for the purchase

*** Additionally, every small purchase will require a price/cost justification.**

3. Sealed bids: \$100,00 and above

- Preferred method for procuring construction
- Two or more qualified bidders
- Bids are **publicly** solicited from an “adequate” number of known suppliers

- Lowest responsive and responsible bidder for the fixed price contract should be awarded the contract

4. Competitive Contracts/ Request for Proposals: \$25,000 and above or where the right to terminate is greater than 180 days, and the contract is greater than one year.

- Used for either a fixed price or cost reimbursement contract and sealed bids are not appropriate
- Requests for proposals **must be publicized by Procurement** and identify all evaluation factors and their relative importance.
- Proposals must be solicited from an adequate number of qualified sources
- Written policy for conducting technical evaluations of reviewing proposals and selecting the recipient
- Most advantageous bid wins, price and other factors considered.

5. Sole source: For Procurement by noncompetitive proposals - any amount, must meet one of the following four requirements:

1. The item is available only from a single source;
2. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
3. The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity (AHMI). Such requests should be submitted through Office of Sponsored Programs (OSP) to the federal agency and will be handled similar to a “prior approval” request; or
4. After solicitation of a number of sources, competition is determined inadequate

***Additionally, every sole source will require a price/cost justification.** Examples of methods of providing this documentation include:

- documenting cost analysis efforts

- documenting market research
- including screenshots, emails, and/or catalog prices
- documenting pricing information obtained from colleagues at peer institutions who have purchased the same or similar items
- documenting prices of similar items

UG Conflicts of Interest Policy

As part of the OMB's Uniform Guidance, there are new requirements for conflicts of interest within a procurement action and how the organization must handle them.

The regulation states:

“No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.”

12.6. AHMI Procurement Sole-Source Justification Form

ATTACH THIS FORM TO THE APPLICABLE PURCHASE REQUISITION FOR PURCHASES WITH AN ESTIMATED COMMITMENT OF \$50,000 OR GREATER WHEN EXEMPTION FROM THE BID PROCESS IS REQUESTED OR IN THE EVENT THE LOWEST QUOTED PRICE IS NOT SELECTED.

Please print or type:

Date:	Requisition Number:
Requestor:	Cost Center:
Bldg./Room No./Floor:	Tele. Extension:

Before a decision can be made to approve your request for Sole Source procurement, the following information is needed. Please provide all of the requested information on this form and submit it to the appropriate Materials Management Agent along with the applicable Purchase Requisition. Note: Sole Source procurement cannot be based on price alone.

Good/Service to be Procured:	
Suggested Vendor:	Estimated Total Commitment: \$
Vendor Contact Person:	
Phone:	Fax:
E-Mail:	Website:

A. Sole Source Considerations (Check the one that best qualifies):

One-of-a-kind	The good/service has no competitive product AND IS AVAILABLE FROM ONLY ONE VENDOR.
Replacement or compatible equipment	The good is associated with use of existing equipment where compatibility is essential for integrity of results (i.e., must match existing brand of equipment) AND IS AVAILABLE FROM ONLY ONE VENDOR.
Replacement part	The good is a replacement part for a specific brand of existing equipment AND IS AVAILABLE FROM ONLY ONE VENDOR.
Technical service	The service is associated with the assembly, installation, or servicing of equipment of a highly technical or specialized nature AND IS AVAILABLE FROM ONLY ONE VENDOR.
Delivery date	ONLY ONE VENDOR can meet necessary delivery requirements.
Research continuity	The good/service is needed to maintain research continuity AND IS AVAILABLE FROM ONLY ONE VENDOR.
Continuation of prior work	Additional item, service, or work required, but not known to have been needed when the original order was placed with vendor.
Clinically or operationally preferred	Denotes product that has been determined to meet the best overall clinical or research requirements at AHMI.
Emergency	URGENT NEED for the item or service does not permit soliciting competitive bids, as in cases of emergencies, disasters, etc.
Other	(Explain in detail below.)

B. Describe in detail the product and/or service to be approved for sole source treatment. Provide details of this request including explanation of why only one source is reasonably available.

C. Is the specific brand/model of product being recommended for procurement available from more than one source (i.e., dealers, distributors)? If "Yes," provide the names of known sources:

D. Did you consider other products or services with similar capabilities? What other suppliers did you contact? Indicate the specific brands/ models of competitors' products that were investigated and describe why, specifically, they do not meet some, or all, of your needs. Verify that, to the best of your knowledge, these are the only companies that supply this type of good/service.

I certify that the above information is true:

Signature of Requestor

Printed Name and Title of Requestor

Date

Authorized VP/Approval Authority*:

Signature of VP/Approval

Printed Name and Title of VP Approval Authority

Date

****In accordance with AHMI Signature Authority***

12.7. AHMI Procurement Sole-Source Justification Form for Federal Funds

ATTACH THIS FORM TO THE APPLICABLE PURCHASE REQUISITION FOR PURCHASES WITH AN ESTIMATED COMMITMENT OF \$25,000 OR GREATER WHEN EXEMPTION FROM THE BID PROCESS IS REQUESTED OR IN THE EVENT THE LOWEST QUOTED PRICE IS NOT SELECTED.

Please print or type:

Date:	Requisition Number:
Requestor:	Cost Center:
Bldg./Room No./Floor:	Tele. Extension:

Before a decision can be made to approve your request for Sole Source procurement, the following information is needed. Please provide all of the requested information on this form and submit it to the appropriate Materials Management Agent along with the applicable Purchase Requisition. Note: Sole Source procurement cannot be based on price alone.

Good/Service to be Procured:	
Suggested Vendor:	Estimated Total Commitment: \$
Vendor Contact Person:	
Phone:	Fax:
E-Mail:	Website:

E. Sole Source Considerations (Check the one that best qualifies):

One-of-a-kind	The good/service has no competitive product AND IS AVAILABLE FROM ONLY A SINGLE SOURCE.
Authorization of non - competitive proposals	The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity (AHMI). Such requests should be submitted through Office of Sponsored Programs (OSP) to the federal agency and will be handled similar to a "prior approval" request.
Inadequate competition	After solicitation of a number of sources, competition is determined inadequate
Emergency	The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation
Other	Must be reviewed by Research Finance. Explain in detail below

F. Describe in detail the product and/or service to be approved for sole source treatment. Provide details of this request including explanation of why only one source is reasonably available.

G. Is the specific brand/model of product being recommended for procurement available from more than one source (i.e., dealers, distributors)? If "Yes," provide the names of known sources:

H. Did you consider other products or services with similar capabilities? What other suppliers did you contact? Indicate the specific brands/ models of competitors' products that were investigated and describe why, specifically, they do not meet some, or all, of your needs. Verify that, to the best of your knowledge, these are the only companies that supply this type of good/service.

I certify that the above information is true:

Signature of Requestor

Printed Name and Title of Requestor

Date

Authorized VP/Approval Authority*:

Signature of VP/Approval

Printed Name and Title of VP Approval Authority

Date

****In accordance with AHMI Signature Authority***