

# Virginia Mason Medical Center Purchasing Policy



<b>Purpose:</b>	To ensure adherence to prudent business practices for the procurement of goods and services.
<b>Rationale:</b>	To support Virginia Mason Medical Center's Mission by ensuring cost-effective acquisition of goods and services through contract compliance, standardization, financial control and efficiencies.
<b>Scope:</b>	<p>This is a Virginia Mason Medical Center Policy and therefore applies to all Virginia Mason staff and vendors. It addresses enterprise-wide accountabilities and practices.</p> <ul style="list-style-type: none"> <li>• The procurement of all goods, equipment and services related to those goods and equipment requires the concurrence of the Purchasing Department</li> <li>• The procurement of all computer hardware and software requires the concurrence of Information Systems</li> <li>• The procurement of all pharmaceutical products requires the concurrence of the Pharmacy</li> <li>• The procurement of all food service goods requires the concurrence of Food and Nutrition Services</li> <li>• The procurement of all clinical equipment repair parts and service requires the concurrence of Biomedical Engineering</li> </ul>
<b>Definitions:</b>	<ul style="list-style-type: none"> <li>• <u>Must</u>: Indicates that staff <u>must comply</u> with the action(s) described or defined</li> <li>• <u>Should/May</u>: Indicates that staff <u>may use his/her own judgment</u> regarding compliance with the actions described for defined</li> <li>• <u>Staff, staff member</u>: Refers to individuals employed by Virginia Mason</li> <li>• <u>Concurrence</u>: Agreement with departmental policy and/or process</li> <li>• <u>Contract</u>: A written agreement established by Virginia Mason for the procurement of specific products or services at a designated price for a specified time</li> <li>• <u>Standardization</u>: To agree to purchase a single, pre-approved product for a given function for use throughout Virginia Mason Medical Center</li> <li>• <u>Vendor</u>: All manufacturers, distributors and service providers from which Virginia Mason purchases goods and/or services</li> <li>• <u>Goods and Services</u>: "Goods" encompasses all commodities purchased by Virginia Mason. "Services" encompasses all work performed for Virginia Mason by outside dealers, contractors or manufacturers including installation, maintenance and repair of equipment guaranteed under contracts between Virginia Mason and the service provider.</li> </ul>

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**Policy Statement:**

1. When purchasing goods, VMMC policy is to support and utilize our contracts and to meet our goals for standardization, quality improvement and cost effectiveness.
2. Requests for variances from current contracts require documentation of clinical and financial ramifications of non-compliance with the existing vendor contract. The Purchasing Department, working within the Product Review Process and Capital Acquisition Process, will coordinate review of requests for variances and determine the appropriate disposition.
3. The Purchasing Department is responsible for negotiating pricing and terms of purchase for goods and equipment, and will conduct a competitive bidding process if deemed necessary. The resulting contract or agreement will be binding upon the requesting entity.
4. Procurement of new and replacement products must follow the appropriate process for acquisition, either the Product Review Process or the Capital Acquisition Process. The Purchasing Department will consult with appropriate stakeholders.
5. Virginia Mason Medical Center will not authorize payment for any good sent or brought to the organization without an approved purchase order.
6. All services to be purchased by Virginia Mason must be approved by an Administrative Director or Vice President before retaining the service. This includes, but is not limited to, temporary labor, consulting services, maintenance services, etc. The Legal department must review all service contracts before services are retained.
7. Invoices for services performed at VMMC require authorization and cost-center coding before payment will be made. Service invoices must be routed to the appropriate administrative person as listed below.

\$0-\$100,000	Administrative Director
\$100,000-\$500,000	Vice-President
\$500,000+	President
8. Finance will maintain an approved signature file for Administrative Directors, Vice-Presidents, President, Chairman/CEO and their designees. The signatures on file will be updated at least annually.
9. Vendors who wish to visit Medical Center departments must comply with VMMC's Vendor Practice Policy.

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**Policy Infrastructure:**

The Supply Chain Department has ongoing responsibility for the Purchasing Policy's content, implementation, monitoring, and accountability.

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<b>Related Policies or References:</b>	<ol style="list-style-type: none"> <li>1. VMMC Vendor Policy</li> <li>2. VMMC Receiving Policy</li> <li>3. VMMC Policy and Procedures for Pharmaceutical Representatives</li> <li>4. Product Review Process</li> <li>5. Capital Acquisition Process</li> </ol>
<b>Author:</b>	Tom Nance, Director of Purchasing
<b>Distribution:</b>	<ul style="list-style-type: none"> <li>• Email to Executive Leadership, Leadership, Professional Medical Staff</li> <li>• V-Net</li> </ul>
<b>Resource:</b>	Director of Purchasing/Supply Chain Department

**APPROVING BODY and POLICY APPROVAL DATE:**

<b>Approved by:</b>	<b>Approval Date:</b>
Management Committee	November 21, 2001
revised	March 26, 2008

**REVIEWED/REVISED DATE:** Formal Review and re-approval on or before: March 2013