

PROCUREMENT

SECTION:	Financial
PAGE:	1 of 2
SUBJECT:	Procurement
EFFECTIVE DATE:	8/2012
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1. The purpose of the procurement policy is to assure that DBH is getting the best value for the money spent and that there are appropriate approvals.
2. In order to assure that the purchase is necessary and that budgeted funds are available to cover the purchase, the following procedures are required:
 - a. The Chief Procurement Officer is responsible for the purchasing of all goods and services by DBH.
 - i. The Chief Procurement Officer can require centralized purchasing for goods and services where it will be more efficient and cost effective.
 - ii. Where appropriate the Chief Procurement Officer or their Finance Department supervisor may delegate authority to purchase specific items or classes of items. This delegation should be in writing and include the job title, the goods and services to be included in the delegation and the value range of purchasing authority.
 - b. Purchase requests are to be approved by the program manager or other employee who is accountable for the budget where the purchase will be charged. The approval will be documented in a form specified by the Chief Procurement Officer for the category of item requested. Program managers may delegate the authority to authorize approval of purchases if done so in writing.
 - c. Vendor invoices, along with delivery receipts and other proof-of-purchase documentation are to be submitted and matched to the original approval form (which will indicate the method of approval by the Chief Procurement Office appropriate for the item being purchased) and sent to the accounting department for payment.
3. The Chief Procurement Officer will be responsible for the following:
 - a. Supervise the execution of this policy.
 - b. Prepare procedures and forms for the efficient operations of the procurement process.

- c. Determine the most cost effective suppliers when items are not on a statewide contract and publish this information to those in DBH needing the information.
 - d. Manage the process of issuing RFP's and evaluating bids.
4. "Preferred Providers"
- a. After having been approved by DBH through a competitive bid process to determine suitability based on price, quality of goods and/or services and timely responsiveness, a supplier may be designated as a "preferred provider". The Chief Financial Officer or their designee will keep a written list with documentation in support of DBH "Preferred Providers" currently approved and authorized.
 - b. "Preferred Provider" status should be reviewed periodically – NO LESS frequently than every two years.
5. Where possible, purchases are to be made from suppliers that are on state procurement contracts or from "Preferred Provider" vendors. If a contract or "preferred provider" is not available the following policy is to be followed:
- a. For non P-Card purchases of \$1,000.00 or less verbal approval of the procurement officer, a clinical department manager or a finance department manager should be requested. Bids are not required.
 - b. For purchases of \$1001.00 - \$5000.00, 2 telephone bids are required. The bids are to be documented.
 - c. For purchases of \$5001.00 - \$50,000.00, three bids are required to be obtained in writing from qualified suppliers.
 - d. For purchases of \$50,001.00 or higher a formal, written RFP is required to be prepared and sent to qualified suppliers. Bids received are to be evaluated based on a pre-determined, written criteria. Documentation of the evaluation criteria, as applied to the bids, is to be retained.
6. Items for personal use such as computers may be purchased through DBH with prior approval from ELT.
7. Personal items are not to be purchased with DBH-issued P-cards or DBH sponsored credit cards. Refer to P-card policy.
8. It is recommended that purchases made on behalf of DBH and its employees, be made with a state purchasing or corporate credit card. DBH understands that some purchases may be made with a personal credit card such as a license renewal, business lunches, fueling a fleet vehicle, etc. However, purchases over \$1,000 may not be made with a personal credit card. Purchases on a personal credit card for business travel purposes are outlined in the travel policy.

Travel approval and reimbursement is specified through a separate travel policy.