 UNIVERSITY of MARYLAND MEDICAL SYSTEM	PAGE: 1 OF 3	PROCEDURE NO: UMMSSC03
	SUPPLY CHAIN MANAGEMENT POLICY AND PROCEDURE MANUAL	EFFECTIVE DATE: 01/2013
SUBJECT: USE OF BIDS AND QUOTATIONS	FUNCTION: Supply Chain Management	

KEY WORDS: Bids, Quotations, Policy, Procedure, Revision

I. POLICY

A. OBJECTIVE:

The competitive bidding process with open access to acceptable suppliers will be used in support of all UMMS departments in order to: obtain the advantageous price, address clinical specifications, and reduce the potential for patient care complications due to inferior or inappropriate products.


B. INDICATIONS FOR USE:

1. Criteria when bids and quotations are solicited:

- a. **Bids** are legally binding offers to sell or to buy. Two or more suppliers are asked to submit pricing for the same or very similar goods or services.
- b. **Formal Bid** is a legally binding offer to sell or to buy. Bids are e-mailed or faxed to suppliers with a requirement for a written response by a set date.
- c. **Request for Quotation** may be conducted verbally, usually through the telephone and where response is immediate or very quick.
- d. **Prime Vendor** is a primary supplier of major commodity item such as medical/surgical supplies, pharmaceuticals, food products, lab products, etc.
- e. **Compliant Bid** is a bid response that agrees to all terms and conditions, is received on time, and provides pricing requested.

II. RESPONSIBILITY

UMMS Supply Chain Contracting and Central Procurement	<ul style="list-style-type: none"> ▪ It is the responsibility of all personnel involved in Supply Chain Contracting and/or Central Procurement to administer the bid process for all UMMS departments. ▪ Price quotes will be administered by Supply Chain Contracting and/or Central Procurement based on information submitted by requesting department(s). ▪ Competitive bids are employed to ensure responsive, reasonable, and firm proposals. ▪ Three or more qualified suppliers will be solicited. In certain cases, exceptions may be made by Supply Chain Contracting and/or Central Procurement where such bidding process would result in no apparent benefit to UMMS.
Director, Materials Management	<ul style="list-style-type: none"> ▪ With prior approval from the Director, Supply Chain Contracting and/or Central Procurement, bid solicitation responsibilities may be delegated to materials management personnel. ▪ Delegated personnel are required to adhere to this policy.

 UNIVERSITY of MARYLAND MEDICAL SYSTEM	PAGE: 2 OF 3	PROCEDURE NO: UMMSSC03
	EFFECTIVE DATE: 01/2013	LAST REVISION DATE: 01/2013
SUPPLY CHAIN MANAGEMENT POLICY AND PROCEDURE MANUAL		
SUBJECT: USE OF BIDS AND QUOTATIONS	FUNCTION: Supply Chain Management	


RESPONSIBILITY (Continued)

Director, Pharmacy	<ul style="list-style-type: none"> ▪ With prior approval from the Director, Supply Chain Contracting and/or Central Procurement, bid solicitation responsibilities may be delegated to materials management personnel. ▪ Delegated personnel are required to adhere to this policy.
Director, Dietary	<ul style="list-style-type: none"> ▪ With prior approval from the Director, Supply Chain Contracting and/or Central Procurement, bid solicitation responsibilities may be delegated to materials management personnel. ▪ Delegated personnel are required to adhere to this policy.
Vice President, Facilities	<ul style="list-style-type: none"> ▪ With prior approval from the Director, Supply Chain Contracting and/or Central Procurement, bid solicitation responsibilities may be delegated to materials management personnel. ▪ Delegated personnel are required to adhere to this policy.

III. PROCEDURE

A. Policy and Procedure Writing Guidelines

1. All purchasing shall be conducted in a competitive manner to ensure that the organization receives the best overall value for its requirements.
2. Competition is encouraged by actively seeking qualified suppliers, allowing these suppliers appropriate access to demonstrate that their products and services will meet the needs of the organization, and fairly awarding business to those suppliers who provide the best overall value to the organization.
3. Preference may be considered to suppliers for goods and services that are covered under a group purchasing contract and to suppliers who have been designated as prime vendors for particular commodities.
4. Any qualified supplier should be allowed to participate in a bid. Suppliers may be disqualified based on inability to provide the required product or service, past poor performance, a history of past bids that were not competitive, financial instability, unwillingness to meet UMMS required terms and conditions, etc.
5. For soliciting quotations with new business ventures or in any other circumstances where a firm requirement does not exist, the Supply Chain Contracting and /or Central Procurement Professional shall make clear to prospective suppliers the intent of the request.
6. Supplier quotations must be in response to a request from Supply Chain Contracting and/or Central Procurement; unsolicited bids will not be considered. Where a supplier is given the opportunity to rebid, all competing suppliers must be given equitable opportunity to rebid. Those conditions in which it is in the best interest of UMMS to rebid include, but are not limited to changes in requirements or new technology.

 UNIVERSITY of MARYLAND MEDICAL SYSTEM	PAGE: 3 OF 3	PROCEDURE NO: UMMSSC03
	SUPPLY CHAIN MANAGEMENT POLICY AND PROCEDURE MANUAL	EFFECTIVE DATE: 01/2013
SUBJECT: USE OF BIDS AND QUOTATIONS	FUNCTION: Supply Chain Management	

7. It is imperative that suppliers know the following:
- a. Pre-contract discussions and agreements are preliminary.
 - b. Any agreements reached are tentative.
 - c. UMMS assumes no contract obligation to the supplier until a formal purchase order, letter of agreement, or contract has been executed, or authorization to proceed is given by Supply Chain Contracting and/or Central Procurement.
 - d. UMMS is not under any obligation to procure the item for which the negotiations are conducted, and any cost incurred by the supplier prior to placing of the order is at the supplier's expense unless otherwise agreed to in advance by Supply Chain Contracting and/or Central Procurement.
8. Exceptions to requirement to bid include:
- a. Items available through a group purchasing contract;
 - b. Sole source purchases with approved justification;
 - c. No known alternate source;
 - d. Other examples, which the Director, Supply Chain Contracting and/or Central Procurement and the requestor(s) determine will be more advantageously acquired through a negotiated purchase.

IV. REPORTABLE CONDITIONS

None

V. DOCUMENTATION

- A. Bid documents are available in the UMMS Supply Chain Contracting Department.

V. SUPPORTIVE INFORMATION

A. REFERENCES

1. UMMS Policies and Procedures Manual
2. UMMS Intranet, Supply Chain Management link

VI. DEVELOPER(S)

- A. UMMS Supply Chain Contracting and Central Procurement

NEW POLICY: 01/2013

Prepared By: Victoria A. Bates Date: 12-19-12

Prepared By: T. Abate Date: 12/19/12

Reviewed By: [Signature] Date: 12/19/12

Executive Approval: [Signature] Date: 12/19/12