

COMPETITIVE BIDDING

Originator: Supply Chain Services

Approved By: Mark T. Steele, M.D., Chief Medical Officer/Chief Operating Officer

Policy: Truman Medical Centers (TMC) will competitively bid equipment, services, goods and supplies by preparing and sending formal written requests for proposal (RFP) to suppliers for proposals as outlined below. The competitive bidding process outlines when and how bid processes are conducted to protect the fiduciary, ethical and best business interests of TMC.

Scope: Corporate Facility Department

Hospital Hill	Lakewood	Long Term Care	University Health Surgery Center
X	X	X	X

Procedure:

I. Policy Application

- A. This policy applies when there is a \$25,000 spend or a \$25,000 or greater annual impact to TMC for goods or services other than Capital Equipment
- B. The policy applies to Capital procurement needs of \$10,000 or more.
- C. This policy does not apply to purchases made from contracts with Group Purchasing Organizations (GPO), since those materials have been previously bid. Supply Chain Services (SCS) will determine a schedule and process for competitive bidding of GPO contracted services and supplies.
- D. This policy may not apply to contracted sole source materials approved by SCS where a competitive alternative either does not exist or is not appropriate for TMC.

II. Basic Guidelines

- A. Supplier quotations are considered confidential.
- B. As part of the RFP process, all responsive bidders must sign a confidentially agreement ensuring all information they receive about TMC is protected.
- C. TMC is not required to hold open bidding conferences with suppliers or share supplier pricing in any way. TMC reserves the right to make no award, or negotiate any award it sees as appropriate as a result of any bid process.
- D. The competitive bidding process will be governed by the [Corporate Procurement](#) policy.
- E. When competitive bidding is required, a minimum of 3 distinct, SCS-authorized and credible bids will be solicited and evaluated to meet the need in question.

III. Responsibilities of SCS:

- A. Maintaining the bid file, including original supplier quotations..
- B. Conducting the bid process for:
 1. Supply contracts (for goods and supplies);

2. Capital equipment; and
3. Services.,
- C. Consulting with internal stakeholders on defining needs, RFP content and the potential supplier list.
- D. Supplying the RFP documents.
- E. Developing bidder lists.
- F. Negotiating bids.
- G. Analyzing supplier proposals.
- H. Organizing and coordinating stakeholder and ad hoc group evaluations.
- I. Making supplier awards.
- J. Notifying unsuccessful suppliers.
- K. Developing specifications for written requests for quotations in coordination with user departments.

IV. Specific Procedure

- A. Bid initiation will occur upon request from SCS, using department or upon a contract expiration/renewal anniversary with the supplier.
- B. The using department is responsible for writing specifications and standards for the equipment, services, and/or supplies in collaboration with SCS.
- C. The RFP will contain the following content:
 1. Term of contract;
 2. The following statements:
 - a. TMC will not be liable for any fees in bid preparation.
 - b. TMC reserves the right to make no award.
 - c. Suppliers will comply with all applicable federal, state, county and local laws for hazardous materials and will comply with any laws that may affect usage of equipment and/or supply items.
 - d. There will be no public bid opening. All supplier pricing is held confidential and never shared with other suppliers.
 - e. The laws of the State of Missouri will govern resulting agreements.
 3. Hold harmless clause in favor of TMC;
 4. Bid closing time and date estimate;
 5. Bid award criteria (e.g. cost, timeliness, efficacy, but not limited to listed criteria); and
 6. Other criteria pertinent to the nature of equipment, services, and/or supplies bid shall be written into the RFP by SCS.
- D. The Senior Director of SCS or authorized designee will open all bids after the bid closing date.
- E. A bid analysis worksheet will be agreed to by SCS and stakeholders, developed, and used by SCS to evaluate supplier bids. The following will be included to help in indicating whether the supplier meets each criterion, as applicable:
 1. Material Specifications;
 2. Quantity;
 3. Detailed Unit Pricing;
 4. Total Cost of Ownership;
 5. Freight;

6. Credit and Payment Terms
 7. Installation;
 8. In-service;
 9. Service and Operations Manuals;
 10. Sales Representation;
 11. Timeliness; and
 12. Professional Business Manner.
- F. TMC will not be obligated to accept the lowest dollar bid, but will take into account all pertinent data to the particular bid in determining which bid is best.
- G. SCS will work with stakeholders to determine if an award should be made and/or to which supplier.
- H. Further negotiations may take place with suppliers before an actual award is made. SCS is responsible for all ongoing negotiations.
- I. SCS will notify unsuccessful bidders of TMC's decision.
- J. Once a supplier is selected and the key commercial requirements are negotiated and documented in the appropriate draft form, the contract will be processed through the contract approval process as outlined in the [Contract and Business Associate Agreement Preparation and Approval](#) policy.