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Sponsor: *Dominique Lavelanet: MGR,
PURCHASING*

Section: *GA-Corporate Resources and
Materials Management*

Manuals:

GA-034-004 APPROVAL PROCESS FOR CONTRACT PO25 PURCHASE ORDERS

I. **Purpose :** To establish a process to issue PO25 purchase orders for contracted services that limit and ensure accurate compensation as outlined in the executed contract. Payments for executed physician and service contracts will be processed against a PO 25 purchase order. PO 25 purchase orders are structured to reflect the scope of work and compensation as defined in the executed contract.

A. **Exception: Payments for Settlement Agreements, as approved by Legal and Administration, are processed against a PO 20 purchase order.**

II. **Definitions:**

A. **PO25:** Purchase order numbers issued for contracted services.

B. **Requisition:** Document submitted to Procurement, with appropriate approvals, to request the issuance of a PO 25

C. **Compliance 360:** Broward Health's contract management system

D. **Executed contract:** A contract flagged "executed" in C360. The contract has been signed by Broward Health and the contracted vendor. For GPO contracts, "executed" indicates the contract review process has been completed.

E. **Contract Owner:** Broward Health business representative responsible for the management of the agreement.

F. **Corporate Executive Management:** President & Chief Executive Officer, Chief Administrative Officer, Chief Financial Officer or designee.

G. **Referral Source:** A physician or physician's immediate family member or person. or entity that is an actual source or recipient of healthcare business or referrals to or from Broward Health.

H. **Referral Source Arrangements:** Every Arrangement that is between Broward Health and a Referral Source.

Whenever the terms physician, physician's immediate family member, and/or referral are used in this policy they shall have the same meaning as ascribed to them under 42 C.F.R. & 411.351 and 42 U.S.C. & 1395nn

III. **Policy: A PO25 is to be issued for all executed contracted services.**

A. The executed contract must be in Compliance 360.

- B. The PO 25 purchase order will reflect the terms as outlined in the executed contract.
- C. A requisition with required signatures must be submitted by the contract owner or designee. .
- D. Requisitions should be submitted in the following manner:
 - 1. Referral Source Arrangements: requisitions must be submitted for annual amounts
 - 2. Non-Referral Source Arrangements: requisitions may be submitted for multiple years of the contract term. However, only the PO 25 line for the current year will be released.
- E. Any exception to this policy and procedure must be approved in writing by corporate executive management.

IV. Procedure:

- A. Contract owner will submit a requisition to the Procurement Department for processing.
- B. The information on the requisition is validated by the Supply Chain Sourcing Team with the information specified in C-360.
- C. The Sourcing Team issues a new PO25 purchase order or updates an existing one.
 - 1. Referral Source Arrangements: A line will be established for the current year only. New requisitions must be submitted for each additional year of the contract.
 - 2. Non-Referral Source Arrangements: If requested, a line will be established for each year of the contract. Only the PO line for the current year will be released. All other lines will be placed "on hold." In order to release a new line, the Regional Chief Financial Officer or Corporate Vice President responsible for the contract must notify the Sourcing Team, in writing, that he/she has confirmed the contract is still necessary and the budget is valid.
- D. Once the PO25 PO line has been issued, an email notification is sent to the contract owner and vendor.

V. Related Policies

VI. Regulation/Standards

VII. References

Interpretation and Administration

Attachments

No Attachments

Approval Signatures

Step Description	Approver	Date
SVP Chief Financial Officer	Alexander Fernandez: SVP, CHIEF FINANCIAL OFFICER	01/2022
VP Supply Chain & Chief	Jorge Hernandez: VP, SUPPLY CHAIN/CPO	01/2022

Step Description	Approver	Date
Procurement Officer		
Manager Purchasing	Dominique Lavelanet: MGR, PURCHASING	01/2022