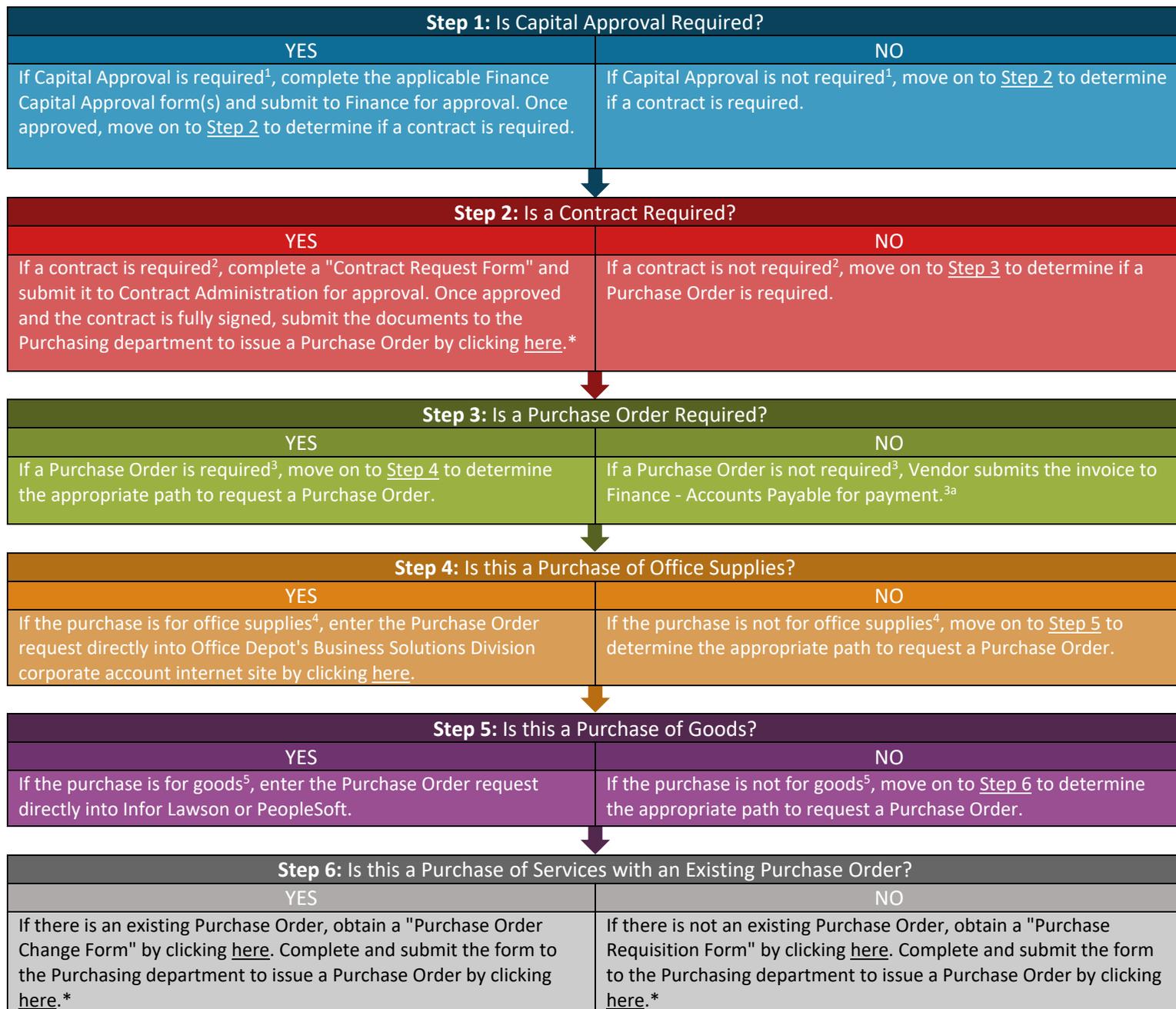


TRAINING GUIDE - How to Purchase Goods & Services

Description:

This training guide provides an overview of potential steps involved in purchasing goods and services from a Vendor on behalf of the following entities: 1) Stanford Health Care; 2) Lucile Salter Packard Children’s Hospital at Stanford (“Stanford Medicine Children’s Health”); 3) Stanford Health Care Tri-Valley; 4) University HealthCare Alliance (“Stanford Medicine Partners”); 5) Packard Children’s Health Alliance; and 6) Stanford Blood Center, LLC. Definitions of select steps are noted by a numbered footnote and detailed on the following pages. Additionally, examples of when each applicable form is required are included in the “Frequently Asked Questions” section.



*For Lucile Salter Packard Children’s Hospital at Stanford (“Stanford Medicine Children’s Health”) and Packard Children’s Health Alliance, [click here](#) to request a Purchase Order directly in PeopleSoft.

1 Is Capital Approval required?

- Contact the applicable entity Finance department for information regarding the applicable capital policies and procedures for Capital Approval.
- Capital Approval is required when purchasing a “capital asset”, which generally involves property, plant, and equipment where:
 1. The cost per item is Five Thousand Dollars (\$5,000.00) or more and the depreciable life is over two (2) years for Stanford Health Care, or Two Thousand Five Hundred Dollars (\$2,500.00) or more and the depreciable life is three (3) years or more for Lucile Salter Packard Children’s Hospital at Stanford. Consult the Capital Asset Definition Policy for further details and information.

2 Is a contract required?

- A contract is required if any of the following statements is true*:
 1. A Vendor (Other Party) presents a legal or contractual document to sign.
 2. A Vendor (Other Party) includes terms and conditions on a quote, proposal, estimate, or invoice for the purchase of services.
 3. A Vendor (Other Party) is providing services on the entity’s premises.
 4. A Vendor (Other Party) is an Independent Contractor that is providing services to the entity.
 - a. An Independent Contractor is a Vendor (1) that is an individual, a sole proprietorship, or business entity (e.g., corporation or limited liability company) that is owned by a single individual and (2) that individual is the sole or primary provider of services to the entity.
 5. A Vendor (Other Party) will be paid more than One Hundred Fifty Thousand Dollars (\$150,000.00).
 6. A Vendor (Other Party) is considered a “referral source” and is providing services to, receiving services from, issuing payment to, or requesting payment from an entity.
 - a. A “referral source” is a physician (a doctor of medicine or osteopathy, a doctor of dental surgery or dental medicine, a doctor of podiatric medicine, a doctor of optometry, or a chiropractor), physician group, hospital, ambulance service, managed care organization, nursing facility, laboratory, non-physician health care provider or other person or organization that refers patients to an entity, or to which an entity refers patients.
 7. A Vendor (Other Party) will have access to Protected Health Information (“PHI”), internal data, or the Technology and Digital Solutions/Information Services IT networks.

*A contract is not required if a purchase involves only advertising insertion orders providing for the placement of advertisements in print, online, or broadcast media.

3 Is a Purchase Order required?

- Purchase Orders are used to control corporate expenditures so that they can be properly validated against invoices and tracked to individual cost center budgets. According to the Purchase Order Requirements and Exceptions policy, a Purchase Order is not required if the purchase is for one of the following items or services:

- | | | |
|---|--|--|
| 1. Banquets and catering (non-hospital event <\$10,000) | 14. Inter-entity hospital agreements | 25. Photography |
| 2. Benefits | 15. Interpretation services/Interpreters | 26. Postage |
| 3. Bond and interest payments | 16. Legal fees | 27. Real estate leases and rentals |
| 4. Charitable Donations | 17. Licensing and filing fees (exclude software licensing) | 28. Recruitment and candidate expenses |
| 5. Collection expenses | 18. Membership due | 29. Reference labs |
| 6. Conference fees | 19. Mortuary/autopsy services | 30. Reimbursements (other) |
| 7. California Department of Motor Vehicles renewals | 20. Moving & storage services | 31. Tax payments |
| 8. Courier and shipping costs | 21. Non-medical equipment rentals (party event, supplies, tents, chairs, tables) | 32. Trainers/teachers off-campus |
| 9. Florist services | 22. Office supplies | 33. Transportation services |
| 10. Forms (SHC approved supplier only) | 23. Organ transplant | 34. Travel & entertainment expenses |
| 11. Government fees | 24. Patient accounts/refunds | 35. Utilities (i.e., telephone, water, gas/electric) |
| 12. Honorariums | | |
| 13. Insurance expense | | |

3a Submit invoice to Finance - Accounts Payable to issue payment.

- Scan and send all the documents to the applicable Finance – Accounts Payable email corresponding with the applicable entity listed below.

Entity:	Finance – Accounts Payable Email:
Stanford Health Care	SHCAPInvoices@stanfordhealthcare.org
University HealthCare Alliance (“Stanford Medicine Partners”)	APUHA@stanfordhealthcare.org
Stanford Blood Center, LLC	SBCAPInvoices@stanfordhealthcare.org
Lucile Salter Packard Children’s Hospital at Stanford (“Stanford Medicine Children's Health”)	ap@stanfordchildrens.org
Packard Children’s Health Alliance	pcha@stanfordchildrens.org
Stanford Health Care Tri-Valley	TVAPInvoices@stanfordhealthcare.org

4 Is this a purchase of office supplies?

- Office supplies are consumables and equipment regularly used in administrative offices. Supply Chain has contracted with Office Depot’s Business Solutions Division.
- For a step-by-step guide on how to order office supplies, please reference [TRAINING GUIDE - Ordering Office Supplies Using OfficeDepot](#).

5 Is this a purchase of goods?

- Goods are tangible items. Goods include, but are not limited to, medical supplies, surgical supplies, materials, single-use disposables, durable medical equipment, and other types of equipment.
- For a step-by-step guide on how to enter Purchase Order requests in Infor Lawson, please reference [TRAINING GUIDE – Requesting Purchase Orders for Goods in Infor Lawson](#).
- For a step-by-step guide on how to enter Purchase Order requests in PeopleSoft, please reference [TRAINING GUIDE – Requesting Purchase Orders for Goods in PeopleSoft](#).

FREQUENTLY ASKED QUESTIONS

Purchase Requisition Form

Question: When do I use a Purchase Requisition Form?

Answer: You should use the Purchase Requisition Form to request a Purchase Order to pay a Vendor (Other Party) for services when a contract is not required.

The Purchase Requisition Form is most frequently used for purchases valued at less than \$150,000.00 where the Vendor (Other Party) has provided a quote, proposal, or estimate that does not require a Stanford entity signature.

Question: When is a contract not required?

Answer: A contract is not required when all of the following are true:

1. The Vendor (Other Party) did not present a legal or contractual document to sign;
2. The Vendor (Other Party) did not include terms and conditions on a quote, proposal, estimate, or invoice for the purchase of services;
3. The Vendor (Other Party) is not providing services on the Stanford entity's premises;
4. The Vendor (Other Party) is not an Independent Contractor that is providing services to the Stanford entity;
5. The Vendor (Other Party) will not be paid more than One Hundred Fifty Thousand Dollars (\$150,000.00);
6. The Vendor (Other Party) is not considered a "referral source" (see page 2, # 2 for an explanation); and
7. The Vendor (Other Party) will not have access to Protected Health Information ("PHI"), internal data, or the Technology and Digital Solutions/Information Services IT networks.

In addition, a contract is not required if the purchase involves only advertising insertion orders providing for the placement of advertisements in print, online, or broadcast media.

Question: What are some examples of when the Purchase Requisition Form is used?

Example 1: The Marketing department wants to place an advertisement in the local newspaper to announce Stanford Health Care's U.S. News and World Report ranking. In this case, a contract is not required because the Stakeholder is placing an advertisement in print. You would complete the Purchase Requisition Form and submit to Purchasing.

Example 2: University HealthCare Alliance wants to sponsor an event, such as a professional conference. A contract is not required because the Vendor's document did not include terms and conditions or a signature line, the event will be held on the Vendor's premises, and the sponsorship will cost less than \$150,000.00 (i.e., the transaction satisfies all of the requirements under "When is a contract not required?" above). Therefore, you would complete the Purchase Requisition Form and submit to Purchasing.

Example 3: Lucile Salter Packard Children's Hospital at Stanford ("LPCH") wants to have a Vendor, who is working remotely, provide online training about how to implement lean processes. A contract is not required because the Vendor's document did not include terms and conditions or a signature line, the Vendor will not come onto LPCH premises, and the training costs less than \$150,000.00 (i.e., the transaction satisfies all of the requirements under "When is a contract not required?" above). So, you would complete the Purchase Requisition Form and submit to Purchasing.

Purchase Order Change Form

Question: When do I use a Purchase Order Change Form?

Answer: You should use the Purchase Order Change Form when:

1. You already have a fully signed contract that is saved in the MediTract contract database;
2. The contract has not expired and does not otherwise need to be amended or modified;
3. You will not be exceeding a stated maximum dollar amount in the contract; and
4. You want to request a change to an existing Purchase Order or you would like a new Purchase Order.

Question: How can I tell whether the contract is current and not expired?

Answer: The expiration date can usually be found in the “term and termination” section of the contract. If the contract is about to expire or has expired, then you should submit a Contract Request Form to Contract Administration and request an extension of the expiration date.

Question: How can I tell whether I would be exceeding the stated dollar amount authorized in the contract?

Answer:

1. Go to the section of the contract that describes the amount that the Vendor (Other Party) will be paid; this information is usually in a section called “compensation” or it may be in a statement of work or exhibit attached to the contract.

Stanford HEALTH CARE Purchase Order Change Form

This form is used to request an increase to the total dollar amount or change the expiration date of an existing Purchase Order that was issued by the Stanford Health Care – Purchasing Department. * All applicable checkboxes and highlighted sections are required. Please submit the completed form and any applicable documents to Purchasing by clicking [this link](#).

Purchase Order Number: [Enter the Existing Purchase Order Number]	MediTract Contract Number: [Enter the MediTract Contract Number]
Current Purchase Order Expiration Date: [Select the Current Purchase Order's Expiration Date]	Current Contract Expiration Date: [Select the Current Contract's Expiration Date]

Check the following boxes as they relate to this request to increase the total dollar amount of the existing Purchase Order:

I have confirmed that there is an applicable contract with this Vendor saved in the contract database MediTract.

I have attached a copy of the applicable contract and Contract Approval Form.

I have confirmed that the applicable contract with this Vendor is current and has not expired.

I have confirmed that the requested increase to the Purchase Order does not exceed the stated dollar amount (e.g., the price or "not to exceed" amount) in the contract with this Vendor.

All of the boxes above must be true and checked. If any of the boxes above are not true and not checked, contact Contract Administration at ContractAdmin@stanfordhealthcare.org to request a contract with the Vendor. If a contract with the Vendor exists, Contract Administration will provide a "Contract Approval Form" in place of this form.

Is this for the purchase of capital assets? Yes / No

If "Yes" is selected, please enter the Capital Expense Number in the box to the right. Also, a Capital Justification Form must accompany this Purchase Requestion Form.

Capital Expense Number: [Enter the Capital Expense Number or enter "N/A"]

Applicable Entity(ies):

<input type="checkbox"/> Stanford Health Care	<input type="checkbox"/> Stanford University Medical Network Risk Authority, LLC ("The Risk Authority")
<input type="checkbox"/> Lucile Salter Packard Children's Hospital at Stanford ("Lucile Packard Children's Hospital" or "Stanford Children's Hospital")	<input type="checkbox"/> University HealthCare Alliance
<input type="checkbox"/> The Hospital Committee for the Livermore-Pleasanton Area ("Stanford Health Care - ViroCare")	<input type="checkbox"/> Packard Children's Health Alliance
<input type="checkbox"/> The Hospital Committee for the Livermore-Pleasanton Area ("Stanford Health Care - ViroCare")	<input type="checkbox"/> Stanford Health Care Advantage
	<input type="checkbox"/> Stanford Blood Center, LLC
	<input type="checkbox"/> CareCourse, LLC

Department Name: [Enter the Department Name] Today's Date: [Select today's date]

Cost Center Number(s): [Enter the Cost Center Number(s). For multiple cost centers, list the amount allocated to each cost center.] General Ledger Number: [Enter One General Ledger Number]

Name of Person Requesting Purchase Order Change: [Enter First Name and Last Name] Phone Number of Person Requesting Purchase Order Change: [Enter the Requestor's Phone Number]

Vendor's Legal Name: [Enter the Vendor's Name] Vendor's Mailing Address: [Enter the Vendor's Address]

Vendor's Email Address: [Enter the Vendor's Email Address] Vendor's Phone Number: [Enter the Vendor's Phone Number]

Amount of Increase: [Enter the amount to be added to the Purchase Order] New Grand Total: [Enter the new grand total of the Purchase Order]

New Expiration Date of Purchase Order: [Select the new expiration date of the Purchase Order]

Reason for Increase: [Click here to enter a reason for requesting an increase to the total dollar amount of the existing Purchase Order. For example, travel/reimbursable expenses, shipping/freight, taxes.]

Special Notes for Purchasing: [Click here to enter special notes for Purchasing. For example, provide the section or page on which the price or "not to exceed amount" appears in the contract. If no special notes are needed, enter "N/A"]

I have the correct signature authority level over this Cost Center related to the "New Grand Total" listed on this Purchase Order Change Form and approve this request.

Cost Center Signatory:

Printed Name: [Enter Printed Name of Cost Center Signatory]

Title: [Enter Title of Cost Center Signatory]

Date of Signature: _____

*This form may also be used to request a new Purchase Order related to an existing Master Agreement, when the Master Agreement does not require a new Statement of Work, Work Order, Sales Order, or similar ordering document.

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Question: What are some examples of when the Purchase Order Change Form is used?

Example 1: You need a locksmith to install a cabinet lock. Acme Lockworks has a contract with Stanford Health Care for locksmith services to install locks, cabinet locks, and digital locks. You would find the contract in the MediTract database and see that the contract contains an exhibit that includes a detailed description of the locksmith maintenance and repair services with the corresponding prices and rates to be performed on a time and materials basis. In other words, the contract has a “menu” of services, prices, and rates, and therefore requesting services from this Vendor does not require an additional statement of work, work order, sales order, quote, proposal, or estimate. You then attach a copy of the contract to the completed Purchase Order Change Form and submit to Purchasing for a new Purchase Order.

Example 2: You need to increase the funds on a Purchase Order for the purchase of disposable medical supplies. Medical Supply USA, Inc. and Stanford Health Care have a pricing contract in place that was approved by Contract Administration. You would find the contract in the MediTract database and see that the contract contains exhibits that include a detailed description of the disposable medical supplies and the corresponding pricing for the supplies. You then attach a copy of the pricing contract to the completed Purchase Order Change Form and submit to Purchasing to increase the Purchase Order funds.

Contract Approval Form

Question: When do I use a Contract Approval Form?

Answer: You should submit a Contract Request Form to Contract Administration to obtain a new contract or to amend or change an existing contract. Documents such as statements of work, work orders, and sales orders that are governed by master agreements are also considered “contracts” that require review by Contract Administration and a Contract Approval Form. Once Contract Administration has reviewed and approved a new contract or an amendment to an existing contract, Contract Administration provides a Contract Approval Form to the Stakeholder.

To (1) obtain a Purchase Order for a new, fully signed contract or (2) update a Purchase Order based on an amendment, you must submit the Contract Approval Form to Purchasing along with the fully signed contract or amendment.

Question: When is a contract required?

Answer: A contract is required if any of the following is true:

1. The Vendor (Other Party) presents a legal or contractual document to sign;
2. The Vendor (Other Party) includes terms and conditions on a quote, proposal, estimate, or invoice for the purchase of services;
3. The Vendor (Other Party) is providing services on the Stanford entity’s premises;
4. The Vendor (Other Party) is an Independent Contractor that is providing services to the Stanford entity;
5. The Vendor (Other Party) will be paid more than One Hundred Fifty Thousand Dollars (\$150,000.00);
6. The Vendor (Other Party) is considered a “referral source” (see page 2, # 2 for an explanation); or

7. The Vendor (Other Party) will have access to Protected Health Information (“PHI”), internal data, or the Technology and Digital Solutions/Information Services IT networks.

A contract is also not required if a purchase involves only advertising insertion orders providing for the placement of advertisements in print, online, or broadcast media.

Question: What are some examples of when the Contract Approval Form is used?

Example 1: Mega Equipment Company has a contract to service medical equipment at Stanford Health Care (“SHC”). To take advantage of better terms being offered by Mega Equipment, SHC proposes to amend the contract with Mega Equipment to add additional units and extend the term of the contract. The Stakeholder would submit a Contract Request Form to Contract Administration to request an amendment to the existing contract. Once Contract Administration approves the amendment and Mega Equipment signs it, Contract Administration will issue a Contract Approval Form. The Stakeholder can then submit the amendment and Contract Approval Form to Purchasing for either (1) a new Purchase Order or (2) an update to an existing Purchase Order.

Example 2: Robert Smith and Associates has a consulting agreement and accompanying statement of work to provide process improvement consulting services to Lucile Salter Packard Children’s Hospital at Stanford (“LPCH”). At the end of the initial one-year term of the agreement and statement of work, the Vendor and LPCH elect to extend the arrangement for another year. The Stakeholder would submit a Contract Request Form to Contract Administration for an amendment extending the term of the consulting agreement and for a new statement of work for the next year’s services. Once Contract Administration approves the amendment to the consulting agreement and the new statement of work and Robert Smith and Associates signs the documents, Contract Administration will issue a Contract Approval Form. The Stakeholder can then submit the contract documents and Contract Approval Form to Purchasing for a new Purchase Order for the next year’s services.

Example 3: SHC desires to engage a new Vendor, AAA Landscaping, to provide landscaping and gardening services at SHC facilities. The Stakeholder would submit a Contract Request Form to Contract Administration for a new services agreement with AAA Landscaping. Once Contract Administration approves the services agreement and AAA Landscaping signs it, Contract Administration will issue a Contract Approval Form. The Stakeholder can then submit the services agreement and the Contract Approval Form to Purchasing for a new Purchase Order for landscaping services.

Stanford MEDICINE Contract Administration Contract Approval Form

Description: This form provides an executive summary of a contract for the internal signatory and signifies that the contract has been approved by Contract Administration for signature. It is the internal signatory's responsibility to review and approve the business terms before signing the contract.

Instructions: Once a Primary Other Party has signed a contract, a Contract Administration team member will sign the Contract Approval Form ("CAF"). Then, the contract should be presented to the internal signatory for signature along with the CAF and all applicable documentation.

Primary Other Party:	Arthrex, Inc.		
Secondary Other Party:	N/A		
Primary Other Party Mailing Address:	1370 Creekside Boulevard Naples, FL 34108		
Primary Other Party Email Address:	scott@evosurgical.com	Primary Other Party Phone Number:	(800) 934-4404
Contracting Entity(ies):	Stanford Health Care Tri-Valley		
Site(s):	TV -1133 E. Stanley Blvd., Livermore, CA		
Department:	Perioperative Services		
Cost Center Number:	74351	General Ledger Number:	548000
Finance Category Code:	CAPEX (Capital Expense)	Finance Activity Code:	N/A
Total Aggregate Value of Contract:	\$44,064.47		
Contract Type:	Equipment - Purchase Agreement		
Contract Description:	Quote Number QTE-01158243. Purchase of video tower and related equipment for arthroscopic surgery.		
MediTract Contract #:	New		
Contract Effective Date:	9/16/2022	Contract Expiration Date:	N/A
Automatic Renewal Provision:	No	Exclusivity or Quantity/Volume Commitment:	N/A
The Vendor has access to Protected Health Information (PHI) and requires a Business Associate Addendum:	No	This Contract relates to Tax-Exempt Bond Compliance:	No
Primary Responsible Party:	Fowler, Kimberly	Person Requesting Contract:	Fowler, Kimberly
Secondary Responsible Party:	Marez, Jennifer	Annual Contract Evaluation Responsible Party:	N/A
Person(s) Signing Contract:	Wichelmann, Kyle		
Tier 4, Level B, VP or higher:	Wichelmann, Kyle		
Contract Administration Comments:	Purchase Order Terms and Conditions are sufficient for this transaction.		
Is this contract for a one-time purchase or event that will be archived on Contract Administration's shared drive and not uploaded to MediTract?	Yes		
Unless otherwise noted above, a signature of a Contract Administration team member indicates this contract has been reviewed and approved by Contract Administration.			

Contract Administration is a shared service for the following legal entities: 1) Stanford Health Care; 2) Lucile Salter Packard Children's Hospital at Stanford; 3) Stanford Medicine Children's Health; 4) Stanford Health Care; 5) University HealthCare Alliance (Stanford Medicine Partners); 6) Packard Children's Health Alliance; 7) Stanford Blood Center, LLC; 8) Stanford University Medical Network Risk Authority, LLC; 9) The Risk Authority; 10) CardiacCare, LLC

Version 7.26.22

Capital Approval Process

Question: What requests require Capital Approval from Finance?

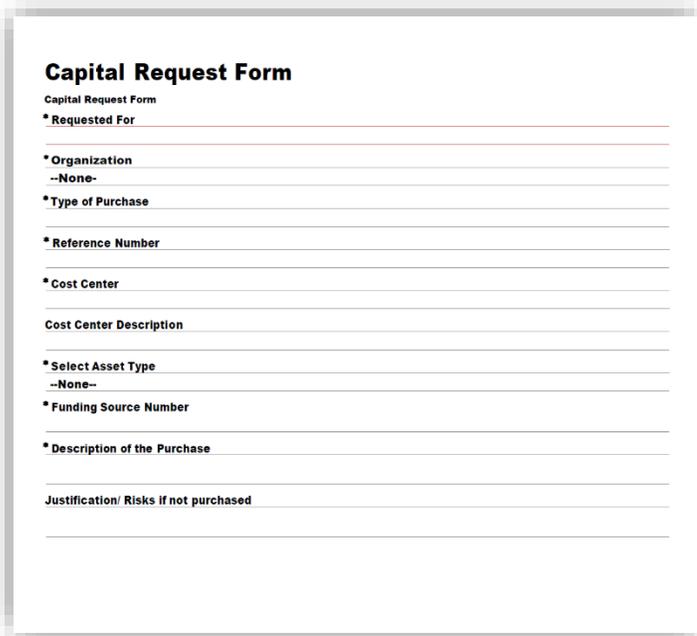
Answer: The purchase of a “capital asset” requires approval by Finance. A “capital asset” is property, plant, or equipment where:

1. The cost per item is \$5,000.00 or more and the depreciable life is over two (2) years for Stanford Health Care (“SHC”), or \$2,500.00 or more and the depreciable life is three (3) years or more for Lucile Salter Packard Children’s Hospital at Stanford (“LPCH”). Consult the Capital Asset Definition Policy for further details and information.

Question: How do I commence the Capital Approval process?

Answer:

1. For SHC, the Stakeholder submits a Capital Request Form via ServiceNow linked [here](#). The request will be routed to Capital Finance for review. Stakeholders may submit questions to capitalfinance@stanfordhealthcare.org.
2. For LPCH, contact the Finance department for information as to how to complete the Capital Approval process.



Capital Request Form
Capital Request Form
* Requested For _____
* Organization
--None--
* Type of Purchase _____
* Reference Number _____
* Cost Center _____
Cost Center Description _____
* Select Asset Type
--None--
* Funding Source Number _____
* Description of the Purchase _____
Justification/ Risks if not purchased _____

Question: If Finance gave me Capital Approval, does Contract Administration still need to review the document?

Answer: Contract Administration must review the documents relating to the purchase if any of the following is true:

1. The Vendor (Other Party) presents a legal or contractual document to sign;
2. The Vendor (Other Party) includes terms and conditions on a quote, proposal, estimate, or invoice for the purchase of services;
3. The Vendor (Other Party) is providing services on the Stanford entity’s premises;
4. The Vendor (Other Party) is an Independent Contractor that is providing services to the Stanford entity;
5. The Vendor (Other Party) will be paid more than One Hundred Fifty Thousand Dollars (\$150,000.00);
6. The Vendor (Other Party) is considered a “referral source” (see page 2, # 2 for an explanation); or
7. The Vendor (Other Party) will have access to Protected Health Information (“PHI”), internal data, or the Technology and Digital Solutions/Information Services IT networks.

If your contract does not fall within these criteria, you only need to submit the Capital Approval paperwork to Purchasing to obtain your Purchase Order.

Question: What are some examples of when review by Contract Administration is and is not needed for a Capital transaction?

Example 1: You need to purchase ultrasound systems from Stellar Laboratories, Inc. for SHC. The cost is \$250,000.00. You should submit the Capital Request to Finance. Finance will issue an approval. You should then submit a Contract Request Form to Contract Administration because a contract is required given that SHC will be paying Stellar Laboratories more than \$150,000.00. Once Contract Administration completes the review of the Stellar Laboratories contract, Contract Administration will issue a Contract Approval Form. You can submit the Capital Approval paperwork, Contract Approval Form, and other required documents to Purchasing to obtain a Purchase Order.

Example 2: You need to purchase beds for LPCH from Hospital Beds, LLC, and the beds cost \$35,000.00. You should submit the Capital Request to Finance for approval. Hospital Beds, LLC did not present a legal or contractual document that requires a signature, and Hospital Beds, LLC will not be coming onto LPCH premises to install the beds. For this reason, a contract is not required, and you should submit the Capital Approval paperwork to Purchasing in order to obtain a Purchase Order.