



Procedure Manual Florida Health Maintenance Organization Consumer Assistance Plan

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Number: 2.17

Subject: Procurement of Goods and Services

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Responsible Party: Plan Manager	Distribution:

Purpose:

To ensure the HMOCAP procures goods and services with proper oversight.

Procedure:

When a vendor for contracted goods or services is necessary, the Plan Manager and the Chairman of the Board of Directors shall meet and determine the amount the goods or services are likely to cost.

A. GOODS OR SERVICES LESS THAN \$1,000. If goods or services are ~~expected~~^{anticipated} to cost less than \$1,000 annually, the Plan Manager may make the purchase from a vendor supplying the item at a reasonable price with an appropriate quality level using good purchasing practices.

B. GOODS OR SERVICES \$1,000 TO \$5,499. ~~If For~~ goods or services ~~are~~^{expected}~~anticipated~~ to cost between \$1,000~~0~~ and \$5,499 annually, the Plan Manager may make the purchase after obtaining two quotes, if practical. If verbal quotes are received, the Plan Manager shall keep written records including the name and address of the companies submitting the quotes and the amount quoted. The Chairman of the Board of Directors may appoint a committee, consisting of one or more members of the Board and the Plan Manager, to evaluate the purchase on behalf of the Board. The committee shall make its decision based upon the reasonableness of the price and the quality level of the goods or services, using good purchasing practices, and it shall keep written documentation of any decision made.

C. GOODS OR SERVICES \$5,500 to \$10,999. If ~~the cost of~~ goods or services ~~are~~^{is} expected to ~~cost~~^{be} between \$5,500 and \$10,999 annually, the Chairman of the Board of Directors shall appoint a committee consisting of one or more members of the Board and the Plan Manager to determine the appropriate purchasing methodology consistent with this Policy and Procedure. If there are two or more appropriate vendors for the goods or

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services, the committee may make the decision to solicit and advertise the procurement in the Florida Administrative Weekly and on the HMOCAP website, or it may make the decision to solicit proposals directly from an appropriate number of qualified vendors (based upon the committee members' understanding and knowledge). The committee may ask for additional information regarding the proposals, and it shall make its recommendation to the Board based upon the reasonableness of the price and the quality level of the goods or services, using good purchasing practices, and it shall keep written documentation of any decision made. If the committee determines that the goods or services are available only from a single source, the committee may make the decision to ask the Board to contract with that vendor, but it must keep written documentation of the conditions and circumstances leading to that decision.

D. GOODS OR SERVICES \$11,000 TO LESS THAN \$100,000. If goods or services are expected to cost between \$11,000 and \$100,000 annually-, the Chairman of the Board of Directors shall appoint a committee consisting of one or more members of the Board and the Plan Manager to determine the appropriate purchasing methodology consistent with this section. Bids for the goods or services shall be solicited and advertised in the Florida Administrative Weekly and on the HMOCAP website, and such advertisement shall appear no less than 28 calendar days ~~before~~prior to the date the responses are to be opened. Bids are due at a specified time and place and the bid opening shall be public. After the bids are opened, the committee may negotiate with responding entities and may request additional information from such vendors. The committee may ask for additional information regarding the proposals, and it shall make its recommendation to the Board based upon the reasonableness of the price and the quality level of the goods or services, using good purchasing practices, and it shall keep written documentation of any decision made. After review, the committee may make the recommendation that none of the responses is appropriate and that additional solicitation should be made.

E. GOODS OR SERVICES VALUED AT \$100,000 OR MORE. For such contracts, the Plan Manager and the Board of Directors will comply with any applicable provisions of section 631.821, Florida Statutes.

F. OVERSIGHT. The HMOCAP Board of Directors shall actively monitor all vendors.

G. APPLICATION OF THIS SECTION. Paragraphs A – D shall not apply to the selection of a Plan Manager or Administrator.