

Article 2  
Procurement Organization

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**§16201. Creation and Membership of the Procurement Policy Office.** The Procurement Policy Office shall consist of the Guam Memorial Hospital Authority Board of Trustees Operations Committee and the Chairman of the Committee shall serve as the chairperson. None of the three members nor the President shall act concurrently as Procurement Officer, nor shall any of such members' subordinates, unless such members are directors of agencies or instrumentalities, act as Procurement Officer for that particular agency.

**§16202. Duties and Responsibilities.** (a) Advise the Board of Trustees on Procurement matters warranting their attention in accordance with the established GMHA Procurement Regulations and 5 GCA Chapter 5 to obtain necessary Board Resolutions sanctioning procurement endeavors of the Hospital.

(b) Review the directives and policies issued by the Central Procurement Policy Office of the government of Guam, recommend policies for adoption by the hospital and prepare any necessary documents to contest or seek exemption from policy recommendations or directives which adversely affect the hospital's operations.

(c) Prepare and transmit recommendations to the Central Procurement Policy Office of the government of Guam for special consideration of hospital procurement policy needs which are not addressed by existing policies promulgated by the Central Procurement Policy Office and

which are within the confines of the Guam Procurement Act.

**§16203. Authority and Responsibility of the GMHA Procurement Department.** The centralized procurement of the GMHA is placed within the Procurement Department of the Administrative Division of the hospital.

The Procurement Department shall be responsible for administering all activities as designated by the Board of Trustees and delegated to the Hospital Administrator in accordance with the provisions of the Guam Procurement Act and its amendments.

The Department shall be administered by the GMHA Supply Management Administrator who shall possess the qualifications in the specialized area of public procurement and defined in the position established by the Civil Service Commission.

**§16204. Authority of the GMHA Board of Trustees.**

(a) **Principal contracting officers of the GMHA.** The Hospital Administrator of the Guam Memorial Hospital Authority shall serve as the Procurement Officer of the hospital with respect to supplies, services and construction.

(b) **Power to Adopt Operational Procedures.** Consistent with the provisions of the Guam Procurement Act and the Guam Memorial Hospital Authority Procurement Regulations, the Hospital Administrator and the Guam Memorial Hospital Authority Supply Management Administrator may recommend operational procedures governing the internal functions of their procurement operations, a copy shall be provided to the Guam Memorial Hospital Authority Procurement Policy Office for presentation to and adoption by the Board of Trustees.

(c) **Duties.**

(1) Except as otherwise specifically provided in the Guam Procurement Act, the Hospital Administrator shall, in accordance with the authority delegated by the Board of Trustees:

(i) procure or supervise the procurement of all supplies and services needed by the hospital;

(ii) exercise general supervision and control over all inventories of supplies belonging to the hospital;

(iii) establish and maintain programs for the inspection, testing and acceptance of supplies and services;

(iv) procure or supervise the procurement of all construction needed by the hospital; and

(v) establish and maintain programs for the inspection, testing and acceptance of construction.

**§16206. Delegation of Authority by the Guam Memorial Hospital Authority Hospital Administrator.** (a) **Application.** The Guam Memorial Hospital Authority Hospital Administrator may delegate authority to designees or to any governmental body or official.

(b) **Decision to Delegate.** The Guam Memorial Hospital Authority Hospital Administrator may delegate authority or may revoke authority as delegated. Factors to consider in making the decision to delegate include:

(1) the expertise of the potential delegate in terms of procurement knowledge and any specialized knowledge pertinent to the authority to be delegated;

(2) the past experience of the potential delegate in exercising similar authority;

(3) the degree of economy and efficiency to be achieved in meeting the hospital's requirements if authority is delegated;

(4) the available resources of the Guam Memorial Hospital Authority Procurement Department to exercise the authority if it is not delegated; and

(5) the consistency of delegation under similar circumstances.

(c) **Compliance with the Guam Procurement Act.** Any designee of the Hospital Administrator shall exercise delegated authority in accordance with the Guam Procurement Act and these Regulations.

**§16206. Delegation of Authority to Officials in Other Departments and Agencies.** The Hospital Administrator may delegate in writing such authority as may be deemed appropriate to the head of any department or division of this

hospital. Such delegation shall be in writing and shall specify:

- (a) the activity or function authorized;
- (b) any limits or restrictions on the exercise of the delegated authority;
- (c) whether the authority may be further delegated; and
- (d) the duration of the delegation.

**§16207. Exceptions to Delegation.** The authority conferred on the Hospital Administrator in the following sections of the GMHA Procurement Regulations shall not be delegated:

- (a) Section 16504 (Contract Performance and Payment Bonds, Reduction of Bond Amounts);
- (b) Section 16506 (Contract Clauses and Their Administration, Modification of Required Clauses);
- (c) Section 16601 (Contract Clauses and Their Administration, Modification of Clauses);
- (d) Section 16901 (Authority to Resolve Protested Solicitations and Awards, Stay of Procurement During Protests); and
- (e) Section 16902 (Authority to Debar or Suspend, Authority).

**§16208. Limitations on Delegation.** (a) Under 16309(n) (Competitive Sealed Bidding, Award) of the GMHA Procurement Regulations, the Hospital Administrator may delegate the authority to negotiate an adjustment of the bid price for a construction project, provided that no contract may be awarded pursuant to such negotiations without the approval of the Hospital Administrator.

(b) Under §16902 (Authority to Debar or Suspend Authority) of the GMHA Procurement Regulations, the Hospital Administrator may appoint a hearing officer to receive evidence and make a written report containing findings of fact and conclusions of the case. Thereafter, oral argument may be heard before the Hospital Administrator, who shall issue a written decision pursuant to §16902, (Authority to Debar or

Suspend, Decision), of the GMHA Procurement Regulations.

**§16209. Revolving Fund.** The Inventory Revolving Fund is created and shall be maintained separate and apart from other hospital funds. The Hospital Administrator shall be the certifying officer of the Inventory Revolving Fund. The Fund shall be used for the purchase and replenishment of items to be carried in the supplies inventory to be maintained in the warehouse operated by the Procurement Department of the Guam Memorial Hospital Authority. The Fund shall be reimbursed by all hospital departments and governmental agencies obtaining supplies from the GMHA Procurement Department.

**§16210. Coordination, Training and Education: Collection of Data Concerning Public Procurement.** The Hospital Administrator shall cooperate with the Bureau of Budget and Management Research and the Territorial Auditor, or any successor agency, in the preparation of statistical data concerning the procurement, usage and disposition of all supplies and services, and employ such trained personnel as may be necessary to carry out this function. The using department shall furnish such reports as the Hospital Administrator may require concerning usage, needs and stocks on hand, and the Chief Procurement Officer shall have authority to prescribe forms to be used by the hospital's departments in requisitioning, ordering and reporting of supplies and services (§6956 of the Guam Procurement Act).

**§16211. Authority to Contract for Certain Services and Approval of Contracts (§6954.7 of the Guam Procurement Act).** (a) **General Authority.** For the purpose of procuring the services of accountants, physicians, lawyers, dentists and other professionals, the Hospital Administrator may act as a purchasing agent and contract on the hospital's behalf for such services, subject to the provisions of the Guam Procurement Act, and these Regulations, but this subsection shall not authorize the procuring of such services where the Hospital Administrator or

Board of Trustees is otherwise prohibited from procuring such services.

(b) **Approval of Contracts Generally.** The Hospital Administrator, or his designee, authorized to procure the services or supplies in question, as established in these Regulations, shall execute all contracts for the Guam Memorial Hospital Authority of the Government of Guam. The Hospital Administrator may approve standard form contracts or purchase orders and once such approval of the standard form is given, contracts or purchase orders made on such form may be executed with the approval of the Board of Trustees unless they have reserved such power for the execution of contracts pursuant to the applicable section of these Regulations, and the Hospital's governing statutes.

(c) **Approval of Contracts by the Department of Revenue and Taxation.** The Hospital Administrator shall refer all hospital purchases for license plates, safety decals, tax forms or tax booklets to the Director of the Department of Revenue and Taxation or his designee who by law has the exclusive authority to approve and execute all contracts for such procurement.

**§16212. Duties of the Hospital Legal Counsel.** The Hospital Legal Counsel, in conjunction with the Attorney General or the designated Assistant, shall serve as legal counsel and provide necessary legal services to the Procurement Policy Committee of the Board of Trustees of Guam Memorial Hospital Authority and the Hospital Administrator. The Legal Counsel shall, in addition, when he approves contracts, determine not only the correctness of their form, but their legality. In making such determination of legality, he may require any or all hospital departments involved in the contract to supply him with evidence that the required procedures precedent to executing the contract were carried out. He may prescribe the forms and format required to be followed by the departments in aiding him in his determination of legality (5 GCA §5150).

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