 <p>B.S. Aquino Drive, Bacolod City, Negros Occidental, 6100</p> <p>DR. PABLO O. TORRE MEMORIAL HOSPITAL</p>	Document Code:	DPOTMH-K-86-P01
	Effective Date:	03-31-2022
	Document Type:	Policy
	Page Number:	1 of 4
	Department/Section:	Procurement Section
	Document Title:	PURCHASE ORDER POLICY

PURPOSE:

To establish standard guidelines in the processing of purchase orders in accordance with sound accounting principles and internal controls.

LEVEL:

Logistics Division Head, Procurement Manager, Procurement Supervisor, Purchasing Staff, Stock Controller


DEFINITION OF TERMS:

Purchaser Order (P.O)- It is a document bearing the item/s requested in detailed specifications (i.e description, number of units, unit price), and signed by both the Purchasing Personnel and the approving authority.

End-user- This is the person requesting the supplies or equipment. His/Her signature appears on the Purchase Requisition.


POLICY:

1. A Purchaser Order (P.O) shall only be made when:
 - a. There is a request from the end-user of a certain item that is not available, or is not regularly maintained in the warehouse
 - b. There is a request from the Stock Controller for items that are regularly maintained in the warehouse
2. A Purchase Order shall be accompanied by a duly accomplished Purchase Requisition.
3. A Purchase Requisition shall be prepared by the end-users and approved by the Department Head and/or Division Head concerned.

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4. For items that are recurring and/or regularly maintained in the warehouse;
 - a. The Purchase order shall be prepared within two (2) days after receipt of the approved purchase request from the Stock Controller
 - b. The Purchase order shall be sent to the supplier within a day after it has been approved.
5. For items that are new and/or not regularly maintained in the warehouse
 - a. If the items are available from local suppliers
 1. Canvassing shall be done within three (3) days from receipt of the approved and budgeted Purchase Request from the end-user
 2. The Purchase Order shall be prepared and sent to the supplier within two (2) days after canvassing is done
 3. The requested item shall be issued to the end-user within a day after it is delivered by the supplier
 - b. If items (equipment, instruments, etc.) are not available locally:
 1. Canvassing shall be started within three (3) days after receiving the approved and budgeted Purchase Request (PR) or Equipment Request Form (ERF) from the end-user
 2. For instruments and equipment, the Purchase Order shall be prepared within three (3) days after the MPHHI Final Negotiation is released.
 3. For supplies and other items, the Purchase Order shall be prepared within two (2) days after the quotations have been submitted by the suppliers.
6. All requested items shall have specific descriptions.
7. All new drugs shall be approved first by the Therapeutics Committee before inclusion in the Formulary, and before a Purchase Order can be made.
8. If the Purchase Requisition is for equipment, it shall include quotations from at least three (3) suppliers.

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9. Awarding of the Purchase Order shall be based on the lowest cost and on the quality of the product unless there is only a sole distributor, or specific brand that is required.
10. Specific warehouse location of items should be specified in the Purchase Order as follows:
 - a. Drugs – Pharmacy
 - b. General supplies – Main Warehouse
11. Ordering of goods shall be through telephone, fax, or email.
12. Delivery shall be on a door-to-door basis except for items that are difficult to find.
13. Invoices shall be signed by the receiving person.
14. Small and emergency purchases shall be taken from advances for liquidation.

DOCUMENTATION:

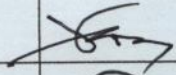

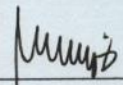
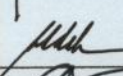
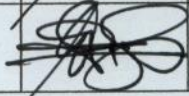
Revised Policy


DISSEMINATION:

Communicator Bulletin
Weekly Management Meeting

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APPROVAL:

	Name/Title	Signature	Date
Prepared by:	DALLIA C. MALA-AY, CSSP, PhD Procurement Manager		3/31/2022
Reviewed:	DENNIS C. ESCALONA, MN, FPCHA, FPSQua Quality Assurance Supervisor		9/11/2022
Recommending Approval:	RICKY G. SALIDO Logistics Division Head		3/31/2022
	SOCORRO VICTORIA L. DE LEON, CPA, MBA, PhD, FPCHA Vice President – Chief Operating Officer		03/31/2022
Approved:	GENESIS GOLDI D. GOLINGAN President and CEO		9/1/22

 <p>DR. PABLO O. TORRE MEMORIAL HOSPITAL</p>	Document Code:	DPOTMH-K-86-P01-S01
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PURPOSE:

To establish a uniform procedure in the processing of purchase orders in accordance with sound accounting principles and internal controls.

SCOPE:


Applies to all Procurement Section and Logistics Division staff of Dr. Pablo O. Torre Memorial Hospital

PERSON RESPONSIBLE:


Logistics Division Head, Procurement Manager, Procurement Supervisor, Purchasing Staff, Stock Controller, Department/ End-user, Biomedical Engineering Section

PROCEDURE:

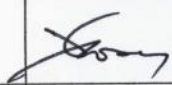




1. The Department/End-user makes a Purchase Requisition approved by the Department Head and/or Division Head
2. The Department/End-user forwards the Purchase Requisition to the Budget Section for determination of budget for the said expense.
3. The Purchaser receives the approved and budgeted Purchase Requisition.
4. The Purchaser canvasses from three or more suppliers.
5. The Purchases identifies the best/lowest bidding price by coordinating with:
 - a) The end-user regarding the acceptability/quality of the item
 - b) The Biomedical Engineering Section for the technical evaluation of the various proposals. If the requisition is for an equipment, the Purchaser also coordinates with the end-user regarding his needs and preferences
6. The Purchaser prepares the Purchase Order.
7. The Purchaser gives Purchase Order to the Procurement Manager for review and signature.

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8. The Purchaser forwards the Purchase Order to the Logistics Division Head for approval.
9. If the Purchase Order is approved, the Purchaser calls up the supplier for order. The supplier gets one copy of the Purchase Order while the Purchaser keeps two (2) copies – one for the Accounting Department for the processing of payment, and one for his/her file.
10. If the Purchase Order is not approved, the Purchaser informs the requesting department

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	SOCORRO VICTORIA L. DE LEON, CPA, MBA, PhD, FPCHA Vice President – Chief Operating Officer		03/31/2022
Approved:	GENESIS GOLDI D. GOLINGAN President and CEO		4/1/22

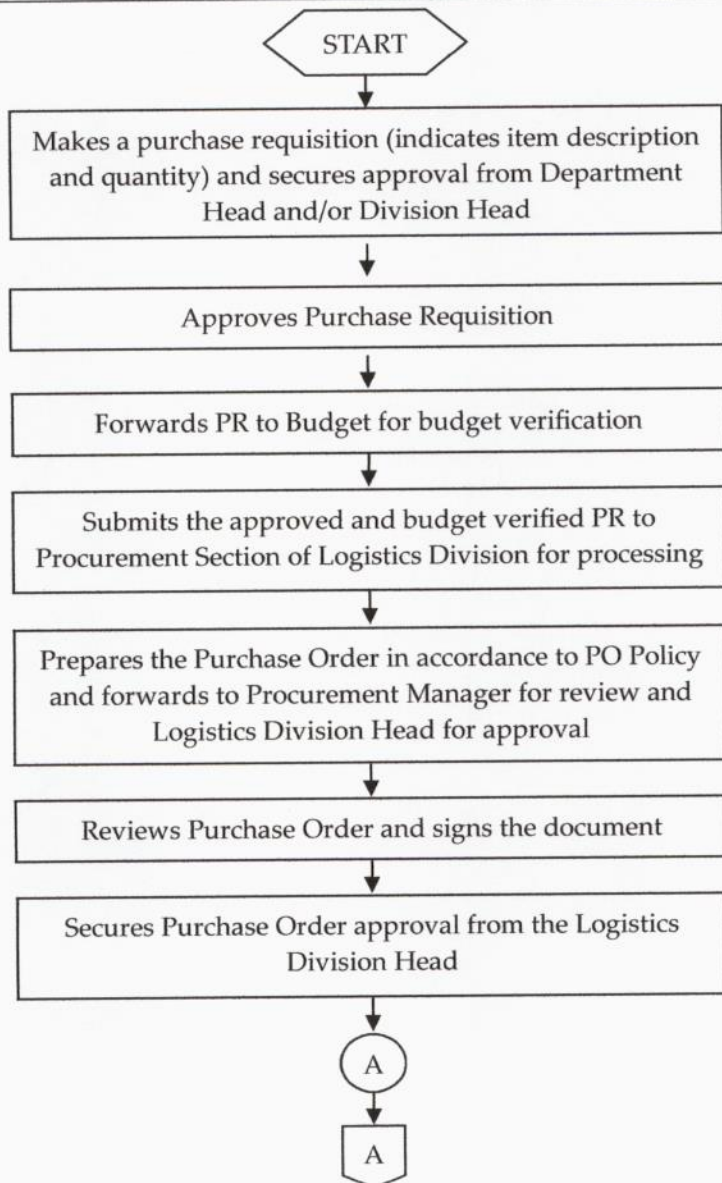


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FLOWCHART

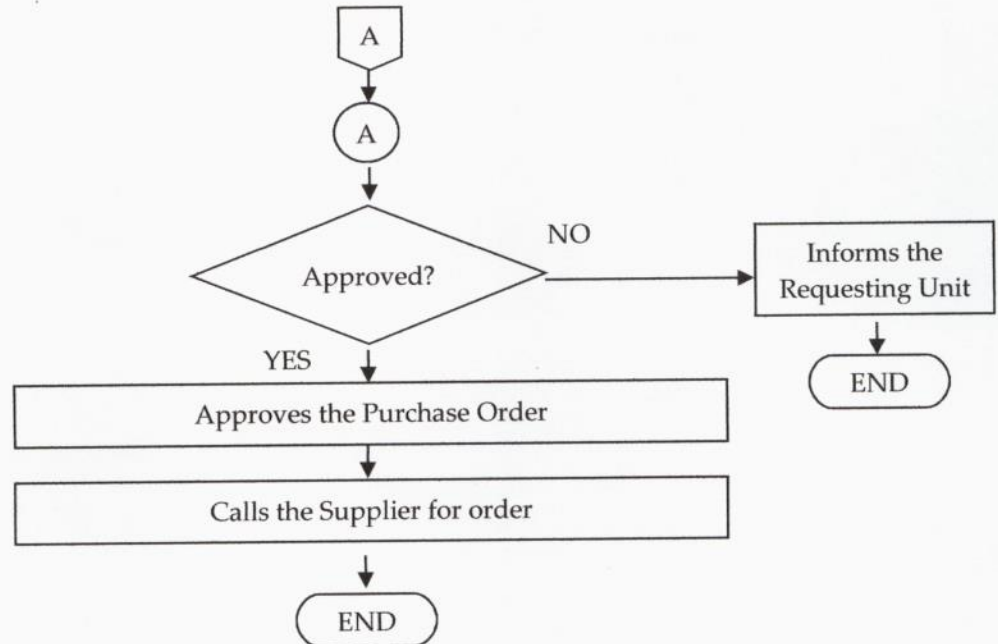





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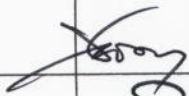



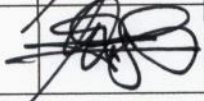
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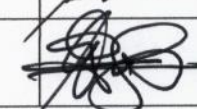
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KEY TASKS	PERSON RESPONSIBLE
1. Makes the Purchase Requisition	Department/ End-user
2. Approves the Purchase Requisition	Department/Division Head
3. Forwards the Purchase Requisition to the Budget Section for determination of budget for the said expense	Department/ End-user
4. Receives the approved and budgeted Purchase Requisition	Purchaser
5. Canvasses from three or more suppliers	Purchaser
6. Identifies the best/lowest bidding price by coordinating with the End User or Biomedical Engineering Section	Purchaser
7. Identifies the acceptability/ quality of the item	End User
8. Conducts technical evaluation of the various proposal (if the item is a medical equipment)	Biomedical Engineering Section
9. Prepares the Purchase Order.	Purchaser
10. Gives Purchase Order to the Procurement Manager for review and signature	Purchaser
11. Forwards the Purchase Order to the Logistics Division Head for approval	Purchaser
12. Approves the Purchase Order	Logistics Division Head
13. Calls the supplier for order once the Purchase Order is approved.	Purchaser
14. Informs the requesting department/ End User if the Purchase Order is not approved.	Purchaser

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