

## Supplier Standards



# Letter from Peter Allen



**Peter M. Allen**  
Executive Vice President  
Sourcing Operations

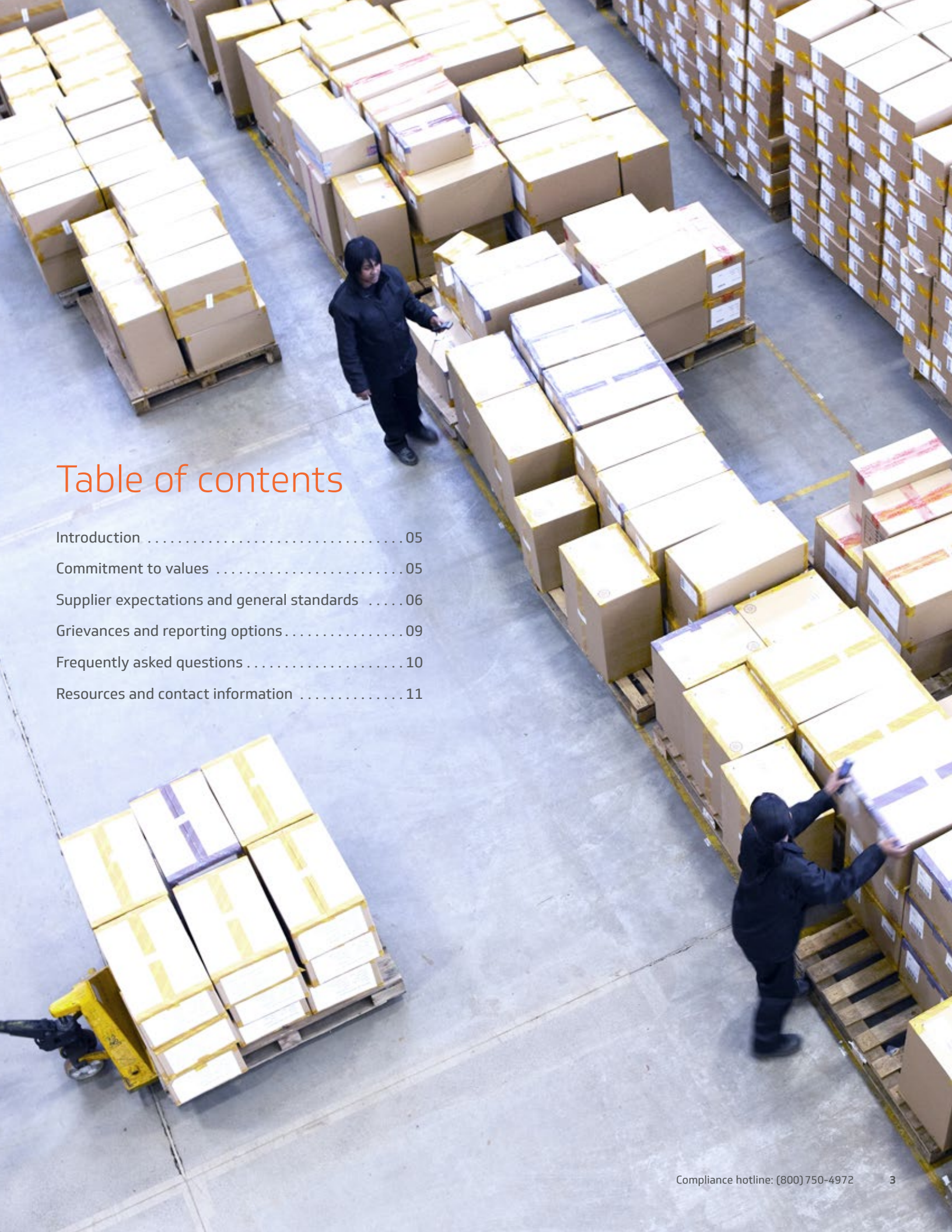
Ethical conduct and transparency are hallmarks of how Vizient® does business. Just as our employees are committed to a code of uncompromising values in everything we do, we expect our suppliers to demonstrate an unyielding commitment to the highest ethical standards. Our suppliers have been instrumental in establishing Vizient as the health care industry's most valued and trusted supply contracting company, and our continued success depends on our mutual commitment to integrity.

We develop these Supplier Standards to help your employees understand and recognize the depth of our commitment to ethical behavior. These standards identify the specific behaviors we expect from suppliers and are intended to strengthen the relationships among our organizations and enhance our combined performance.

Thank you for your support,

A handwritten signature in black ink that reads "Peter M. Allen". The signature is written in a cursive, flowing style.





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# Introduction

The Supplier Standards reinforce the commitment of Vizient (Company) to conduct business in an ethical manner, including our commitment to abide by all applicable laws and regulations. We expect our prospective suppliers and awarded suppliers (both supplier groups collectively referred to as Suppliers) to comply with the Supplier Standards in all facets of their business relationships with Vizient and with our members.

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## Our purpose

We exist to ensure that our members deliver exceptional, cost-effective care.

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## Our mission

Our mission is to connect members with the knowledge, solutions and expertise that accelerate performance.

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## Our values

Our values, noted below, are a set of fundamental and strategic beliefs and behaviors that drive the performance of our organization. Our values guide our behavior and serve as a beacon for the future.

# Commitment to values

In carrying out our strategy, we at Vizient operate based on a dynamic set of values that drive both the performance of our enterprise and the outstanding experience members have come to expect from us. Taken together, these values ensure that we consistently bring the full breadth of our expertise to those we serve.

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## Permission to play values—our baseline expectations

- Respect: Treat others as you would like to be treated
- Integrity: Be honest, ethical and trustworthy
- Service: Diligently meet the needs of others
- Judgment: Make wise decisions

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## Core values—cultural cornerstones

- Collaborative: Work together to achieve success
- Adaptive: Anticipate and embrace change
- Resourceful: Bring together the right expertise at the right time to achieve the right result



# Supplier expectations and general standards

Suppliers are expected to comply with all legal and contractual requirements, prudent financial practices and other related corporate policies and procedures. These Supplier Standards help:

- Clearly define Vizient values and principles
- Introduce you to some of the laws, regulations, policies and procedures that we expect Suppliers to follow
- Set clear expectations for our awarded suppliers
- Identify resources to report concerns and file a formal vendor grievance

## Compliance with applicable laws and regulations

We at Vizient are committed to competing in the marketplace fairly and in full accordance with all applicable laws and regulations. Likewise, our expectation is for all Suppliers to comply with both the letter and the spirit of all state and federal laws and regulations.

We have developed detailed policies, procedures and training tools to ensure that all Company employees comply with applicable health care rules and regulations, including the federal Anti-Kickback Statute. Our Company and employees are also required to respect the principles and rules of fair competition and are not permitted to violate antitrust laws. Similarly, we expect Suppliers to comply with these laws in their dealings with Vizient and our members.

## Anti-corruption and bribery

We are committed to conducting business transactions and practices in compliance with the federal Anti-Kickback Statute and similar state laws. Our company employees also conduct Vizient operations and activities outside the United States in compliance with the letter and spirit of the U.K. Bribery Act and the Foreign Corrupt Practices Act (FCPA), which prohibits U.S. companies and individuals (as well as foreign subsidiaries of U.S. companies) from bribing foreign officials in exchange for receiving business. For example, it is illegal under FCPA to pay, directly or indirectly, anything of value to a foreign official, political party or candidate to influence an official act by that official or the government in obtaining or retaining business. We expect that Suppliers fully comply with the letter and spirit of these laws and regulations.

## Industry codes

The Advanced Medical Technology Association (AdvaMed) is the leading trade organization representing companies that develop, produce, manufacture and market medical products, technologies and related services and therapies. Pharmaceutical Research and Manufacturers of America (PhRMA) is the leading trade organization representing biopharmaceutical researchers and biotechnology companies. AdvaMed and PhRMA have each adopted codes of ethics (collectively, the Industry Codes) for their respective industries to govern their interactions with health care professionals. The U.S. Department of Health and Human Services Office of Inspector General states that compliance with the Industry Codes can substantially reduce the risk of fraud and abuse and help demonstrate a good-faith effort to comply with applicable federal health care program requirements. Suppliers must represent and warrant that their business practices are consistent with the Industry Codes and these Supplier Standards. Failure to comply with these Industry Codes or these Supplier Standards may lead to a determination by the Company that a Supplier is nonresponsible.

## Conflicts of interest and unethical payments

Vizient employees must avoid situations that may cause an actual or perceived conflict of interest. Specifically, they must refrain from accepting or soliciting anything that may be construed as a bribe, kickback or other illegal or unethical payment with respect to business arrangements between Vizient and a Supplier. We require all Suppliers to fully comply with our conflicts of interest policy when dealing with our employees.

### Gifts and entertainment

Suppliers are expected to comply with the Vizient gifts and entertainment policies in their dealings with Vizient employees.

**Q:** Vizient employees are visiting a Supplier's office to discuss a contract extension. After the meeting, the Supplier would like to thank them by providing them a gift card. Can the Supplier provide gift cards to Vizient employees?

**A:** No. Vizient employees may not accept, or provide, any gifts of cash or cash equivalents, including gift cards.

### Confidentiality and handling of proprietary information

Suppliers are expected to:

- Maintain the confidentiality of Vizient and our members' confidential information, including contract terms, supply chain data and protected health information (PHI)
- Refrain from participating in any supplier-to-supplier discussions of proprietary business arrangements within your Vizient agreement and/or with members

### Intellectual property

Suppliers are expected to honor the intellectual property rights of Vizient and our members, and refrain from infringing upon any trademarks, service marks, copyrights or other intellectual property rights. Likewise, it is an expectation at Vizient that employees respect the intellectual property rights of others and refrain from infringing upon valid patents, trademarks, service marks, copyrights or other intellectual property not owned by or licensed to the Company.

### Terms and conditions

Suppliers are expected to honor the terms, conditions and spirit of all agreements with Vizient and our members. This includes submitting timely and accurate reports regarding transactions with Vizient and members, sales and administrative fee reports, and making accurate payments in accordance with contract terms.

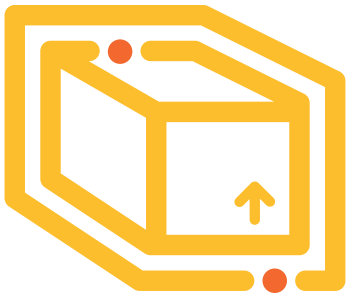
### Conducting business with Vizient members

Access to any member facility is considered a privilege and may be revoked by the member at any time. Noncompliance with a member's policies and procedures could negatively affect a Supplier's access to that member organization. Therefore, Supplier representatives are solely responsible for understanding and complying with each member's facility policies and procedures. These policies and procedures may address:

- An organization's code of conduct and policies related to gratuities and gifts
- Requirements governing credentialing or access to their personnel for medical-surgical suppliers
- The use of identification badges
- Access to specific areas of facilities (e.g., patient care areas, research facilities, etc.)
- Health Insurance Portability and Accountability Act (HIPAA) or other regulatory requirements
- Certification of training or education on equipment, products or services
- Displays, product information and use of samples
- Disclosure of existing consulting arrangements with clinical staff
- Immunization requirements
- Disclosure of price information

**Q:** How can I find out what policies or procedures I must follow in regard to working with a member?

**A:** Each member has its own set of unique policies and procedures. Suppliers should work directly with a representative of the member organization to learn about their member-specific expectations.



At Vizient, one of our top priorities is to select and promote manufacturers that will provide safe, effective, readily available and cost-effective products for our members to use.

### **Novaplus private-label products**

It is imperative that Novaplus® products are identical in quality and manufacturing standards as Supplier-branded products. Therefore, we expect Suppliers to notify the Company of any proposed change that may affect a product's quality or likeness to the Supplier-branded product. In addition, we expect Suppliers for Novaplus products to cooperate in all facets of the Vizient Quality Assurance Program, including full transparency about issues and investigations related to Novaplus products, notification of U.S. Food and Drug Administration (FDA) form 483 observations, warning letters and/or consent decrees, etc. Suppliers must also provide timely communication of product recalls or market withdrawals and corrections. Upon request, Suppliers for Novaplus products must also be willing to participate in an on-site audit performed by the Company's quality and safety personnel.

### **Quality assurance**

One of the top Vizient priorities is to select and promote manufacturers that will provide safe, effective, readily available and cost-effective products for our members to use. To ensure we can deliver on this commitment, every Supplier, including awarded suppliers seeking extensions, is evaluated for exclusion or debarment by the federal government, as well as a history of FDA inspections, agency observations and product recalls.

We at Vizient expect awarded suppliers to meet the current Good Manufacturing Practices (cGMP) or Quality System Regulations (QSR) as cited in the Code of Federal Regulations Title 21. We also expect awarded suppliers to maintain a robust quality system to ensure compliance with federal regulations and the consistent manufacture and distribution of high-quality products.

We are committed to monitoring Suppliers' quality and regulatory performance and compliance with overall industry standards and, as appropriate, proactively notifying members of any material quality or regulatory issues or trends. Awarded Suppliers are encouraged to apply machine-readable bar codes on product labels at the unit of use (or smallest package size). Awarded Suppliers are expected to meet the FDA compliance dates for assigning unique device identifiers (UDIs) on medical devices and/or expected to comply with product identity and trace requirements as found in Title II of the Drug Quality and Security Act.

Vizient does not manufacture, label, package, repackage, maintain inventory, sell, distribute, control specifications, or assign UDIs for any products—all such activities are the sole responsibility of the product's manufacturer, distributor or other seller.

### **Environmental stewardship**

The Vizient Environmentally Preferred Sourcing Program provides the necessary framework for our members to implement and maintain an environmentally friendly program that supports their organization's overall sustainability objectives. We encourage all awarded suppliers to support these goals by submitting their products' environmental attributes, such as whether the product is recyclable, mercury-free, bisphenol A (BPA)-free, etc. Supplier submissions of environmentally preferred (EP) attributes are an element of the nonfinancial criteria in all Vizient contract awards. For more information, contact our Environmentally Preferred Sourcing team at [EPS@vizientinc.com](mailto:EPS@vizientinc.com).



# Grievances and reporting options

## Vendor grievance process

All prospective suppliers that participate in the Vizient request for proposal (RFP) process are notified if they do not receive an award. Those prospective suppliers have the opportunity to request a debrief meeting or conference call with the Vizient portfolio executive to discuss their RFP submission and how they might be more successful in the future. We attempt to address any concerns expressed by the prospective supplier during such discussions. However, if the prospective supplier is not satisfied with the explanation, that organization may use the Vizient vendor grievance process to appeal a contract award decision if they believe the contracting process was not conducted in a fair, open and competitive manner.

Under the Vizient vendor grievance process, prospective suppliers can request a review of the contracting process by Vizient personnel who are not part of the contracting group. Types of grievances may include pre-award grievance, post-award grievance, and grievances outside the regular contracting process, such as innovative technology claims.

For more information on the Vizient vendor grievance process, visit [www.vizientinc.com/suppliers](http://www.vizientinc.com/suppliers).

## How to file a vendor grievance

A Supplier may submit a formal vendor grievance through the Vizient compliance hotline at (800) 750-4972 or through [www.vizientinc.ethicspoint.com](http://www.vizientinc.ethicspoint.com). The compliance hotline and website are managed by Navex, an independent third party.

## HGPPI independent evaluation process

The Healthcare Group Purchasing Industry Initiative (HGPPI) established a process by which a prospective supplier can obtain an independent third-party review of contract award decisions. As a founding member of HGPPI, we actively support this process and encourage prospective suppliers that have concerns regarding an award to take advantage of this process.

A prospective supplier must submit its grievance to Vizient, and go through the Vizient vendor grievance process before a matter can be submitted to HGPPI for their independent evaluation. Details about this process can be viewed on the HGPPI website: [www.hgpri.com](http://www.hgpri.com).

## How to report concerns or violations

Suppliers may also confidentially report compliance-related issues or other concerns through the Vizient compliance hotline at (800) 750-4972 or [www.vizientinc.ethicspoint.com](http://www.vizientinc.ethicspoint.com).

## Nonretaliation policy

Vizient strictly prohibits harassment of and retaliation against any individual who, in good faith, reports a known or suspected violation of the law, the Standards or Company policies.

# Frequently asked questions

**Q:** How can I find more information about the Vizient contracting process and how to become an awarded supplier?

**A:** For more information on the contracting process, visit [www.vizientinc.com/suppliers](http://www.vizientinc.com/suppliers).

**Q:** My company was not awarded an agreement in a recent RFP process. How can I find out why and learn how to improve our chances of an awarded agreement in the future?

**A:** You may request a debrief meeting or conference call to discuss your submission and how you could be more successful in the future. To request a debrief meeting, contact the Vizient portfolio executive responsible for the respective procurement process.

**Q:** What is the Vizient policy on gifts and entertainment?

**A:** Our employees may not provide to or accept from Suppliers any gifts, entertainment, favors, personal services or payments that exceed a nominal value. They must not accept gifts in the form of cash or cash equivalents (e.g., gift cards) at any time. In general, employees must avoid situations in which their personal activities or relationships could create, or appear to create, a conflict of interest or make it difficult to objectively carry out their job responsibilities or act in the best interest of the Company. Our policy on gifts and entertainment is laid out in our conflicts of interest policy.

**Further, we require all suppliers to fully comply with our conflicts of interest and gifts and entertainment policies when dealing with our employees.**



# Resources and contact information

## Additional information and reporting

The Vizient Supplier site ([www.vizientinc.com/suppliers](http://www.vizientinc.com/suppliers)) is our awarded Suppliers' connection to our organization. The website contains specific information customized for awarded Suppliers and is designed to facilitate communication of important business information between Vizient and awarded Suppliers. Specifically, it gives awarded suppliers access to helpful information such as membership listings. All information on the Supplier site is confidential and secure, including any data and information provided by our awarded Suppliers.

Here is the Vizient Supplier website and other valuable resources for your reference.

### Supplier site (with bid calendar):

[www.vizientinc.com/suppliers](http://www.vizientinc.com/suppliers)

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### Vizient compliance hotline:

(800) 750-4972

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### Vizient compliance website:

[www.vizientinc.ethicspoint.com](http://www.vizientinc.ethicspoint.com)

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### Vizient corporate office:

(972) 830-0000

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### Vizient website:

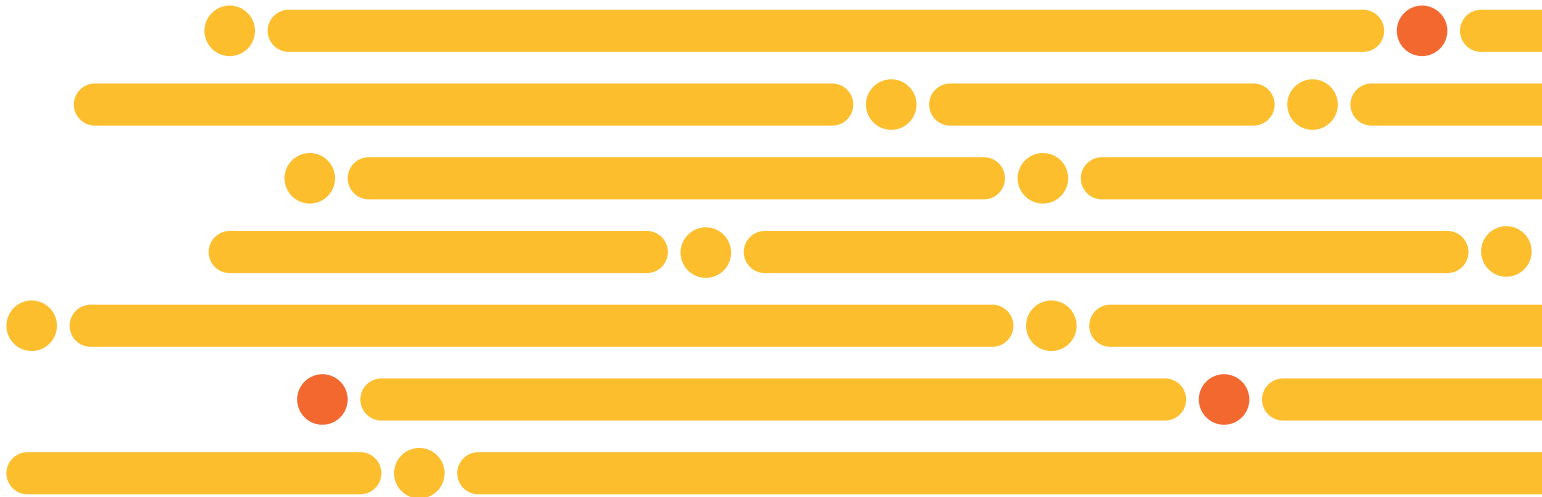
[www.vizientinc.com](http://www.vizientinc.com)

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### Healthcare Group Purchasing Industry Initiative website:

[www.hgpil.com](http://www.hgpil.com)

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As the nation's largest member-driven health care performance improvement company, Vizient provides network-powered insights in the critical areas of clinical, operational, and supply chain performance and empowers members to deliver exceptional, cost-effective care.

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