Vanderbilt University Supplier Procedures

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1.0 Doing Business with Vanderbilt University

The following procedures explain the process for conducting business at Vanderbilt University including the specific requirements for the central university campus, Vanderbilt University Medical Center (including Vanderbilt Hospital, the Monroe Caroll Jr. Children’s Hospital at Vanderbilt and The Vanderbilt Clinic), all VUMC clinics, VUMC Plant Services and University Plant Operations. The process and requirements for becoming a Vanderbilt Approved Supplier are also explained.

2.0 Procurement Organization

The responsibility for the purchase of products, supplies, furniture, equipment, vehicles and services at Vanderbilt University is divided between two organizations: Procurement Services and Medical Supply Sourcing. Although reporting to different organizations and assigned different responsibilities, all core systems, methods, policies and procedures remain common. For the purposes of these policy and procedure documents, the term “Procurement Services” will include both Procurement Services (university central) and Medical Supply Sourcing (Vanderbilt University Medical Center) departments unless specifically noted otherwise.

2.1 Procurement Services

Procurement Services is the primary organization responsible for the purchase of all general supplies, furniture, equipment, vehicles and services for the university central campus and Vanderbilt School of Medicine research laboratories.

All Vanderbilt University Medical Center non-clinical product contracts, general MRO and facility maintenance service contracts are also managed by Procurement Services. The following products and services are managed by Procurement Services:

- Capital equipment purchases, leases and maintenance agreements (non-clinical)
- External Consultants and Independent Contractors
- Forms and Printing services
- Furniture and interior design services
- IT hardware and software; IT services
- Research Laboratory equipment and services
- Research Laboratory supplies
- Logistics services
- Maintenance / Repair / Operations (MRO) supplies and services
- Office supplies
- Office equipment (copiers, faxes, printers, postal equipment, etc.)
- Telecommunications products and services
- Travel services and university event contracts
- Vehicles and transportation services
- Waste management, recycling services
Procurement Services office:
110 21st Avenue South
Suite 1110, Baker Building
Nashville, TN 37203-2406
Phone: 615.322.2911
Fax: 615.343.6468

Procurement Services organization chart and contact list at: Procurement Contacts List

2.2 Medical Supply Sourcing

Medical Supply Sourcing is a functional organization reporting to the Chief Supply Chain Officer of VUMC. Medical Supply Sourcing purchases all clinical patient supplies, medical and surgical supplies, clinical capital equipment and all related clinical services for the entire Vanderbilt University Medical Center. The following products and services are under the jurisdiction of Medical Supply Sourcing:

- Ambulance services
- Clinical patient supplies
- Clinical gases
- Clinical distribution services
- Clinical capital equipment purchases, leases and equipment services
- Environmental services
- GPO contract management
- Hospital Nutrition and Cafeteria services
- Life Flight operations support
- Medical & bio-hazardous waste
- Medical & surgical supplies
- Medical laboratory supplies

Medical Supply Sourcing and Vendor Liaison office:

Vanderbilt University Medical Center
B706B TVC
Nashville, TN 37232-5672
Phone: 615.322.5654
Fax: 615.343.4405

Medical Supply Sourcing organization and contact list at: Medical Supply Sourcing Contacts
3.0 Procurement Authority and Mission

Procurement Services is a department of Finance and reports to the Deputy Vice Chancellor of Finance and Controller for the University. The Board of Trust and the Chancellor of the University have delegated certain responsibilities for the administration of procurement policies and procedures to the Director of Procurement Services. Procurement Services has the delegated authority and responsibility to:

- Manage the assessment and selection process for all Approved Suppliers
- Negotiate contract terms and conditions
- Review, award and sign contracts for the purchase of products and services
- Review, award and sign equipment and vehicle leases
- Execute all purchase orders, regardless of format, process or amount
- Conduct bids for general use products and services, as well as support department-specific sourcing projects
- Manage the ongoing business relationship with key suppliers

Procurement Services is responsible for overseeing the commercial relationships between Vanderbilt University and our suppliers and insuring that all aspects of our relationships are held to the highest ethical and professional standards. Our suppliers contribute significantly to the ongoing success of Vanderbilt University and we in turn actively support our suppliers and help them achieve their objectives. The Supplier Diversity program, which promotes business with small, disadvantaged and diversity owned businesses, is one example of this support.

Procurement Services is also leading the conversion to modern eCommerce purchasing technologies, including electronic ordering and invoicing using our eProcurement system. Future business growth will be with those suppliers who embrace eCommerce as part of their customer service strategy.

Procurement’s mission is to cooperatively develop and execute sourcing strategies with Vanderbilt University departments for high value products and services that meet or exceed University requirements, and to perform services to the highest ethical and professional standards. Procurement Services:

- Provides leadership through contract negotiation, supplier management and conversion to modern eCommerce purchasing technologies
- Promotes small, disadvantaged and minority-owned businesses through the Small Business and Diversity Supplier program
- Supports the University’s commitment to environmental responsibility
- Supports the University’s commitment to outreach to the local business community
- Assists departments involved in federal contracts and grants in maintaining compliance to all applicable regulations

4.0 Gifts and Gratuities

Vanderbilt University requires all suppliers or interested parties to refrain from offering any gratuity or other thing of value greater than $25, either directly to Vanderbilt personnel, or indirectly to any persons with which the Vanderbilt employee may have personal, business or financial ties. Any Vanderbilt personnel that has been offered such gifts or gratuities are required to notify the Director of Procurement Services immediately.

For the purpose of this policy, an interested party is defined as: 1) any person, firm, corporation, or other entity or representative thereof, which has or is seeking to obtain contractual or other business or financial relations with Vanderbilt, or 2) has interests that may be substantially affected by the performance or non-performance of the official duty of the Vanderbilt employee concerned.
A gratuity includes any gift, favor, entertainment, employment opportunity, or other item having monetary value. This includes but is not limited to services, conference fees, transportation, lodging, meals, supplier promotional items, discounts not available to the general public, or loans made on a preferential basis by parties that are not financial institutions. Exceptions to this policy include:

- Any unsolicited advertising or promotional item, other than money, such as pens, calendars, or other items that have a market value of no more than $25 per item or event
- Plaques, certificates or mementos having no monetary value
- Transportation on official business, when alternate arrangements are impractical or significantly impede the conduct of official business; or when such transportation will facilitate the conduct of official business
- Attending a celebration or other major event related to a University project regardless of who the host is, as long as the event is attended by a number of parties representing a range of mutual interests in the project

**Gifts from the Health Care Industry - NO GIFTS**, of any amount, may be accepted by Vanderbilt faculty or staff from suppliers of pharmaceuticals, medical equipment and devices, or medical service suppliers (hereafter referred to as the Health Care Industry) or their agents. This includes, but is not limited to, companies currently engaged in or proposing to do business with Vanderbilt University.

### 5.0 Contracts and Purchase Order Authorization

#### 5.1 University Signature Authorization

The University Signature Authorization Policy specifically restricts the authority to negotiate and sign contracts for most products and services to general officers of the university, their delegates and the Director of Procurement Services. Department administrative staff and faculty do not have delegated authority to sign contracts or otherwise make commitments to suppliers for the purchase of products or services. To be valid, all contracts must be signed by duly authorized university personnel. Contracts signed by non-authorized personnel will not be considered valid or enforceable. Suppliers are expected to confirm all contracts with Procurement Services prior to execution.

#### 5.2 Authorized Orders

All purchases of products or services by Vanderbilt are authorized by the following methods:

<table>
<thead>
<tr>
<th>Primary Applications</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase Orders</td>
<td>High dollar purchases, leases, capital, most services</td>
</tr>
<tr>
<td>eProcurement Purchase Orders</td>
<td>High volume products, consumables, some services</td>
</tr>
<tr>
<td>Purchase Card (Pcard)</td>
<td>Non-contract, retail spending; travel</td>
</tr>
</tbody>
</table>

All Purchase Orders and eProcurement Orders must be authorized and issued by Procurement Services / Medical Supply Sourcing prior to the delivery of products or the performance of services. University departments are delegated limited authority to use the PCard within the limits of the respective programs.
5.3 Unauthorized Orders

University policy requires all authorized orders to be processed by one of the methods described above. The following will not be considered legitimate orders and invoices associated with them cannot be honored:

- Invoices that do not reference a valid, authorized Vanderbilt Purchase Order or SPO Number
- Supplier quotations or contracts signed by an unauthorized Vanderbilt employee
- Invoices that reference a Vanderbilt Requisition Form Number. Requisition Forms are for internal, Vanderbilt-only use and are not authorized purchase orders.
- Verbal orders, orders referencing email or fax correspondence from Vanderbilt personnel or other non-authorized documentation

6.0 Purchase Order Terms & Conditions

All orders issued by Vanderbilt University are governed by the standard Purchase Order Terms and Conditions. Suppliers must accept these PO Terms and Conditions as a prerequisite for doing business with Vanderbilt University.

7.0 Payment Terms

Vanderbilt University's standard payment terms are Net 45 Days from the date of the invoice. Vanderbilt will consider accepting cash discounted payment terms if offered.

8.0 Equipment Evaluations

Equipment furnished by suppliers for the purpose of evaluation by departments prior to making a purchasing decision must be covered by the standard Vanderbilt Equipment Evaluation Agreement in advance of the equipment’s delivery. This standard agreement addresses the duration, evaluation criteria, future purchase price and the conditions for returning or retaining the equipment. This agreement must be reviewed and approved by Procurement Services prior to the delivery of any equipment. After the agreement has been executed, Procurement will issue a “no charge” purchase order to record our possession of the equipment for insurance purposes. If the department elects to purchase the equipment, a separate capital equipment contract and purchase order will be issued, replacing the evaluation agreement and no charge purchase order. If the equipment is returned, the no charge purchase order will be canceled.

9.0 False Claims Act Policy

Notice Regarding Compliance with False Claims Acts. Vanderbilt requires all of its employees and contractors/suppliers to report any known or suspected violation of the Federal False Claims Act or the Tennessee False Claims Act (collectively referred to as the "FCA").

A person violates the FCA by:

- knowingly submitting, or causing another to submit
- false claims
- for payment of government funds.

For example, submitting a claim to Medicare for payment for services that were not rendered is a violation of the FCA.
Any company doing business with Vanderbilt that becomes aware of, or has reason to believe that, a FCA violation has occurred at Vanderbilt is expected to report this information to the Vanderbilt University Medical Center Compliance Office by calling 615-343-2777 or using the confidential Help Line at 615-343-0135. Known or suspected violations of the FCA may also be reported directly to the federal government. Vanderbilt prohibits retaliation for good faith reports of suspected violations of the FCA and will take no adverse action against any person or company for making such reports.

10.0 Confidentiality

As a private, non-profit higher education institution, Vanderbilt University is not required to disclose contracts, RFP documents, proposals or other information to outside parties. All such materials are considered confidential and all requests for access to these materials will be declined. All suppliers are expected to maintain the confidentiality of all materials and correspondence with Vanderbilt regardless of whether or not any actual business is conducted.

11.0 Compliance with Federal Regulations

Suppliers must be, and remain, in compliance with all applicable federal, state and local laws as they pertain to immigration laws, equal employment laws and international tax laws.

11.1 Compliance with Immigration Law

All suppliers are expected to be in compliance with the Immigration Reform and Control Act of 1986, as amended, and will only provide Vanderbilt with personnel whose employment eligibility has been properly verified through the USCIS Form I-9.

11.2 Compliance with Equal Employment Opportunity Law

Suppliers must also explicitly warrant that they are in compliance with all applicable federal, state and local laws, as amended, including 41 CFR 60-1.4, 41 CFR 60-250.4 and 41 CFR 60-741.4, with respect to nondiscrimination in employment on the basis of race, religion, color, national origin or sex, equal opportunity, affirmative action, employment of disabled veterans and veterans of the Vietnam era, and employment of the handicapped.

11.3 Compliance with International Tax Law

All suppliers are expected to be in compliance with the Internal Revenue Code §§1441 and 1442, and provide Vanderbilt with a Form W-8 or W-9 as required. Suppliers must also ensure that the tax forms provided to Vanderbilt are properly completed, signed and dated as required under the IRC. The Vanderbilt International Services and International Tax office (VISIT) website has additional tax information for non-U.S. suppliers doing business with Vanderbilt regardless if the work is performed at Vanderbilt or outside the USA.

Payments to International Suppliers

International Supplier Questionnaire

12.0 Insurance Requirements

Suppliers and contractors may be required to have specific insurance coverage as a prerequisite for doing business with Vanderbilt. Below are the standards of coverage required and the standard language to be included in all contracts with the University:

During the term of this Agreement, Supplier shall maintain the following insurance coverage with limits not less than the amount specified and, if subcontracting is permitted, Supplier shall require its subcontractor to maintain similar insurance coverage whenever subcontractors' personnel are upon Vanderbilt’s premises:
Workers' Compensation with statutory limits and Employers Liability with limits of $500,000 per accident, $500,000 per illness per employee and $500,000 per illness aggregate.

Commercial General Liability insurance for bodily injury, property damage including products and completed operations, and personal and advertising injury with minimum limits of $1,000,000 each occurrence, $2,000,000 aggregate, $2,000,000 products and completed operations, $1,000,000 personal and advertising injury limits.

Automobile liability insurance (including owned, non-owned, and hired vehicles) with a combined single limit for bodily injury, death, and property damage of not less than $1,000,000 per occurrence.

Umbrella/Excess Liability with a $5 million per incident; and shall be in excess of Commercial General Liability and Automobile Liability.

Vanderbilt should be included as "additional insured" on the general liability and auto liability policies. The following is the proper wording that will need to be used: "Vanderbilt, for the benefit of itself and its affiliated entities and their respective officers, directors, employees, representatives and agents, are named additional insureds. The liability coverages shown on this certificate are primary, non-contributing and contain waivers of subrogation against any coverage held by Vanderbilt."

Supplier shall furnish Vanderbilt with certificates of insurance, which provide sufficient information to verify that Supplier has complied with the insurance requirements of the above Paragraph. Such certificates shall indicate that Vanderbilt will be given at least thirty- (30) days' advance written notice of any material change or cancellation of any policy and that the required waiver of subrogation or additional insured has been endorsed on the applicable policies. Supplier shall not commence the rendering of any Deliverables on Vanderbilt's premises or permit its subcontractors to do so until the required insurance is obtained.

13.0 Supplier on Line Application

Procurement Services has established an easy to use online Supplier Application to allow potential suppliers to submit an electronic profile on their company, products and services. These profiles are routinely reviewed by Procurement Sourcing Officers to determine if they meet a specific need or are otherwise compatible with university requirements. All applications will be responded to within 45 days of receipt. The Procurement Services Supplier Site should be reviewed for announcements and other relevant information before completing the online Supplier Application. This online application process is the most efficient means for suppliers to solicit business at Vanderbilt. Supplier phone calls, email solicitations and personal sales calls will be directed to the online application process before any business discussions will take place.

14.0 Approved Suppliers

Companies that submit their profiles using the on line Supplier Application process are reviewed and classified by Procurement Services according to the following matrix:

<table>
<thead>
<tr>
<th>Approved Suppliers</th>
<th>Formal contract (typically vetted through an RFP process)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pricing agreement</td>
</tr>
<tr>
<td></td>
<td>Non-strategic product or service</td>
</tr>
<tr>
<td></td>
<td>Unique product or service</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Limited Approved Supplier</th>
<th>Approved for limited list of products or services; sole source supplier. Use may be restricted to individual departments</th>
</tr>
</thead>
</table>
Not Approved

<table>
<thead>
<tr>
<th>Not Approved</th>
<th>No current or forecasted requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Conflicts with existing contract supplier programs</td>
</tr>
<tr>
<td></td>
<td>Pricing, quality, terms &amp; conditions not competitive or acceptable</td>
</tr>
<tr>
<td></td>
<td>Prior Vanderbilt experience or references not favorable</td>
</tr>
</tbody>
</table>

Suppliers classified as Approved or Limited Approved will be notified by the Sourcing Officer and listed by their product/service offering in the Procurement Approved Supplier Directory that is available online to Vanderbilt departments.

### 15.0 Supplier (Vendor) Liaison Program

All suppliers calling upon the clinical enterprise at Vanderbilt are required to go through the Vendor Liaison Office. Credentialing for on-site visitation as well as provision of services within specific departments is required.

The issuance of a photo ID card by the Vendor Liaison Office does not make a supplier an Approved Supplier to Vanderbilt. The ID is issued for security purposes only and is not a license to solicit business across the University Campus. Suppliers who use the Vendor Liaison ID to misrepresent their status to Vanderbilt departments may have their on-site visitation privileges revoked.

Specific requirements and procedures of the Vendor Liaison Program can be referenced by accessing the Vendor Liaison Program website.

### 16.0 Supplier Diversity and Small Business Program

In April 1995, Vanderbilt University formalized its supplier diversity initiatives by establishing a Supplier Diversity and Small Business program. The principle mission is to provide equal access to business opportunities at the University for small businesses and diversity-owned companies and to aid departments in meeting federal subcontracting purchasing goals.

The program objectives are:

- Create a quality process for all stakeholders - including a plan of action to monitor, achieve, and report business diversity activities.
- Develop new, creative and innovative means to utilize small business and specific subcategories of small business including minority-owned, women-owned, veteran-owned, small disadvantaged, hubzone, and small business enterprises.
- Establish cost-effective relationships that will ensure that Vanderbilt University and the Vanderbilt Medical Center realize the benefits of competitive pricing and quality products and services.

Program details are available at Supplier Diversity & Small Business Program

Vanderbilt’s Supplier Diversity policy is available at Supplier Diversity Policy

### 17.0 Vanderbilt Medical Center Plant Services - Policies & Procedures

Suppliers or Contractors doing business with Medical Center Plant Services should be familiar with the applicable Medical Center Plant Services policies and procedures.
18.0 VUMC Space & Facilities Planning - Standards & Policies

Suppliers or Contractors doing business with Space & Facilities Planning Department should be familiar with the applicable Space & Facilities Planning Department Policies and Procedures.

19.0 Central Campus Plant Operations - Policies & Procedures

Suppliers or Contractors doing business with University Central Plant Operations should be familiar with the applicable University Central Plant Operations Policies and Procedures.

20.0 Trademark Licensing

Suppliers are not permitted to use Vanderbilt University’s name, trademarks, logos or images in any marketing or advertising media, including presentations, web sites, printed materials or other forms without written permission from Vanderbilt University.

21.0 Campus Map

Vanderbilt offers an interactive University Map and Building Directory for your convenience.

22.0 Parking Policy and Delivery / Parking Map

Parking policies for Suppliers and Contractors is determined by the two Traffic and Parking departments for the Medical Center and University Central Campus.

Medical Center Traffic & Parking Policy

University Central Traffic & Parking Policy

A Map detailing all loading docks, service entrances and other entrances suitable for commercial deliveries is located at Supplier Delivery / Parking Map

All deliveries to Vanderbilt University Hospital and the Monroe Caroll Jr. Children’s Hospital at Vanderbilt must be scheduled with the appropriate dock master prior to delivery.