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Welcome

Dear Supplier:

Partners HealthCare (Partners) Supply Chain Management is dedicated to procuring the highest quality of products and services at the best value in order to serve our patients. As a valued trading partner and supplier, we are also committed to providing you with the opportunity to engage Partners Supply Chain Management in discussions about products and services while upholding the highest ethical principles.

Partners HealthCare is a not-for-profit health care system that is committed to patient care, research, teaching and service to the community locally and globally. Collaboration among our institutions and health care professionals is central to our efforts to advance our mission. Founded in 1994 by Brigham & Women's Hospital and Massachusetts General Hospital, Partners HealthCare includes community and specialty hospitals, a managed care organization, a physician network, community health centers, home care and other health-related entities.

Our contracting, procurement, and disbursement activities are centrally managed. This means that while we collaborate with our member institutions to insure we have only high quality, cost-effective products for our patients, the contracting and pricing discussions are controlled solely by Partners Supply Chain Management.

This guide will assist you in complying with our policies and understanding the Partners procurement process. I hope you find it valuable.

Sincerely,



Lisa A. Scannell
Corporate Director of Supply Chain Management

Partners Supply Chain Management Mission Statement

Partners Supply Chain Management, a department within Partners Finance, is committed to managing a progressive supply chain continuum. Driven by accountability, ethics, and fiduciary responsibility, we will support the Partners mission through operational excellence.

Partners Supply Chain Management

Partners Supply Chain Management is the sole negotiating, contracting, purchasing and disbursement arm of Partners and its member institutions. It is comprised of:

- Accounts Payable
- Client Services
- Purchasing
- Supplier Management and Strategic Sourcing
 - Corporate Contracting
 - Supplier Diversity Program
- Supply Chain Systems
- Data Analytics
- Product Evaluation and Supply Utilization
- Transportation Services

The Partners Supply Chain Management staff is prepared to assist you in your business activities within our system. Our Client Services group is charged with insuring the highest levels of service excellence. Please contact Client Services at 617-726-2142 with any questions about your Partners account.

Contracting for Goods & Services

Partners Supply Chain Management Policy stipulates goods and services may only be acquired when accompanied by a valid, fully executed agreement and a duly authorized Purchase Order. The following information highlights key components of the new and renewal contracting process related to supply chain goods and services.

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CONTRACT TERMINATIONS

Our goal is to ensure the on-going operational successes of Partners Supply Chain Management and our supplier network. The process of renewing an existing agreement is paramount to our mutual operational successes. Partners Supply Chain Management maintains an accurate record of all supply contracts, which reports contract expirations and/or terminations 60-120 days prior to the end date. In that time frame a representative from Partners Supply Chain Management may contact the supplier to begin the renewal process. This does not preclude you from contacting Partners Supply Chain Management earlier to begin the renewal process. However, we ask that you bear in mind your responsibility to deal solely with Partners Supply Chain Management. Our representatives will ensure you, the supplier, and business owners are included in the agreement renewal process at the appropriate time. The contract renewal process will be coordinated with the member institutions through Partners Supply Chain Management.

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NEW PRODUCT INTRODUCTIONS

New products must go through our rigorous and standardized new product evaluation process, which is closely aligned with Partners values and mission. Most products will be scrutinized by a value analysis team and benchmarked against industry and market conditions prior to introduction into the Partners supply chain. New product introductions and related contracting activity shall be coordinated with the member institutions through Partners Supply Chain Management.

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NEW SERVICE INTRODUCTIONS

New services, including but not limited to Consulting, Purchased Services, Maintenance and Warranty Services, Professional Services and /or Independent Contractors, must adhere to Partners policies and processes. These are intended to incorporate, at a minimum, all local, state and federal regulatory requirements as well as Partners values and mission. New service introductions and related contracting activity will be coordinated with the member institutions through Partners Supply Chain Management.

Partners Supply Chain Management Policies

Pages 6 through 8 are summaries of the primary policies governing Partners Supply Chain Management's activities with our suppliers.

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CONTRACTING POLICY

- ✓ Relationships with suppliers are managed only through Partners Supply Chain Management
- ✓ Contract/agreement negotiations are only conducted by Partners Supply Chain Management
- ✓ No disbursements will be issued without the approval of Partners Supply Chain Management through properly executed Purchase Orders issued prior to the delivery of goods or the performance of services
- ✓ Member institutions will obtain the appropriate departmental authorization and contact Partners Supply Chain Management prior to contacting suppliers
- ✓ Contract signing authority is limited to Partners Supply Chain Management Contract Managers and designated Partners Corporate Officers only
- ✓ Suppliers will adhere to Partners terms & conditions as approved by the Office of General Counsel (OGC). Any exceptions will need to be reviewed and may promote delays

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PRICE PARITY POLICY

- ✓ Provide pricing consistency across all Partners member institutions
- ✓ Contracts executed by Partners Supply Chain Management are applicable to all Partners member institutions. See our website for more detail.
<http://www.partners.org>.

Exceptions:

- ✓ To allow for limited special circumstances, exceptions to this policy may be requested through the Partners Supply Chain Management Sr. Director of Strategic Supply Chain Management & Sourcing

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CATALOG MANAGEMENT POLICY

- ✓ Partners Supply Chain Management is solely responsible for the addition, deletion or changes to items in the approved Partners Supply Chain Management Catalog
- ✓ Partners Supply Chain Management will execute contract/agreements as required
- ✓ Partners Supply Chain Management will not add items where acceptable alternatives are currently in the Partners Supply Chain Management Catalog
- ✓ Partners Supply Chain Management will not add items without the additional approval of the System leadership when additional costs will be incurred

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SUPPLIER ACCESS POLICY

- ✓ All suppliers must follow each Partners member institution's local access plan
- ✓ Local access plans should include a requirement for the supplier to stipulate the purpose of the visit and whether an advance appointment has been made
- ✓ Partners Supply Chain Management will assist managers of member institutions to insure compliance with their supplier access plans

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Guiding Ethical Values

Partners Supply Chain Management is charged with managing the relationships with our suppliers, assuring them of a full and fair hearing, and maintaining a level playing field with respect to bids, proposals, agreements and contracts. Partners Supply Chain Management is comprised of Accounts Payable, Client Services, Purchasing, Vendor Management and Strategic Sourcing, Supply Chain Systems, Data Analytics, Product Evaluation, Supply Utilization and Transportation Services.

We hold the staff in each area of Supply Chain Management to a high ethical standard in our relationships with all suppliers of Partners. We believe it is important for you, as a prime trading partner, to understand our supplier policies regarding supplier relationships and our responsibility to enforce those policies.

In addition to being bound by the overall Partners Code of Conduct and its guidance on gifts and amenities from suppliers, our staff is bound by a more stringent set of departmental guidelines. Partners Supply Chain Management staff cannot accept gifts or amenities from suppliers under any circumstances. Whether at a Partners Supply Chain Management office, at your place of business, at one of our hospitals, or on their own time, the Partners Supply Chain Management staff is governed by our gifts and amenities policies and guidelines.

Our employees have been instructed that if they are approached by a supplier representative for lunch, dinner, sporting events, golf outings or similar events, they will respectfully decline. Under no circumstances are they to accept gifts of any value. Please ask your representatives who interact with Partners Supply Chain Management not to offer any gifts or amenities of any value and to avoid placing any of our staff in any situation that could affect their employment with Partners.

Our intention is for all our interactions with our suppliers to be fully transparent. While we believe these guidelines are clear, questions may arise. If you have any questions about these policies and guidelines, please consult with Mark Faulkner, Sr. Director of Strategic Supply Chain Management and Sourcing (617-724-0312).

Supplier Diversity Program

The Supplier Diversity Program was created and developed by Partners Supply Chain Management in 2004. The Partners leadership team has been the driving force behind the Supplier Diversity Program initiative. The program was designed to extend the Partners mission of community outreach; involve an increasingly more diverse group of suppliers to participate in the procurement operation; maintain the highest quality patient care, research, education and financial standards.

The program continues to grow in both size and expenditures. Currently, the Supplier Diversity Program has over 3,000 certified/categorized Historically Underserved Businesses. Listed below are the local certifying organizations that are accepted by Partners:

- Small Business Administration
- Commonwealth of MA, State Supplier Diversity
- Center For Women and Enterprise
- Greater New England Minority Supplier Development Council

By diversifying our supply base, we connect with an emerging market and give back to the communities in which we operate. Partners is a leader in healthcare and plans to lead the nation's supplier diversity initiatives. For more information on this program, please contact PHSsupplierdiversity@partners.org.

Frequently Asked Questions (FAQs)

What if my customer says they are an approved contract signer?

Please refer to page 6 - Partners Supply Chain Management Policies.

Are Purchase Orders required for payment of goods and services?

Yes. Partners requires that a valid purchase order be issued prior to the delivery of goods or services for every Supplier.

Who do I contact if my customer's requests may violate my organization's or Partners' code of conduct?

Please refer to page 9 - Guiding Ethical Values.

If I am asked to provide a quote or samples to a Partners member institution, what should I do?

Please refer to page 9 - Guiding Ethical Values.

If a Partners customer says they are unaware of the policies, or my organization has further questions regarding the policies, to whom should I direct them?

Questions regarding these policies should be directed to Partners Supply Chain Management Client Services at 617-726-2142.

What happens if my company is unable to agree with these policies?

These policies are closely aligned with Partners HealthCare's core values and mission. It is important that our suppliers have a clear understanding of our values and share in the delivery of our mission. Your compliance with these processes and policies will define your role in the Partners Supply Chain Management network.

Who are the decision-makers for my company's product?

The Contracts and Product Evaluation/Supply Utilization Group will consult with our member institutions to ensure we have high quality cost-effective products. However, the contracting and pricing discussion rests solely with Partners Supply Chain Management and committees or VATs (Value Analysis Teams) we work with.

**What if my company's product has been brought into the Partners system and used already without a contract?
How does the invoice get paid?**

It is necessary for all products procured through Partners to go through the appropriate process in order to receive payment for that product. If steps in this defined process are omitted, it is required that the product go back to the beginning of the review process and a contract negotiated. Upon approval, a Purchase Order will be assigned and subsequently the invoice paid.