



Amerinet Contracting Process

This document outlines the Amerinet contracting process as well as key information necessary for suppliers interested in participating in the Amerinet Competitive Contract Process.

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I. Contracting Statement

Amerinet believes in a competitive process for the development of all its agreements. In order to provide our members with the most competitive and cost effective portfolio, each product category is thoroughly reviewed by the appropriate contracting division. This enables Amerinet to utilize the most competitive approach in developing an agreement or agreements for those products. The majority of the Amerinet agreements are developed through a competitive bidding process representing those suppliers with high quality products and services desired by our membership.

Types of Product Awards:

Amerinet primarily awards agreements on a dual-source basis. However, this may be modified as appropriate for each product category when deemed necessary by Amerinet, with input from the appropriate Amerinet membership input teams. The Request for Proposal (RFP) will clearly identify the type of award that is being considered in the contract category development process. The following definitions identify the various types of product awards:

Sole Source: A contractual commitment is made by Amerinet for the national portfolio to include only one supplier. This type of award will require certain commitments from supplier, as well as a review and approval by senior management.

Dual Source: A contractual commitment is made by Amerinet for the national portfolio to include only two suppliers. This type of award will require certain commitments from supplier.

Multi-source: A contractual commitment is made by Amerinet for the national portfolio to include more than two suppliers.

Single Source: A product award has been made to only one supplier in the portfolio but nothing in that single source award would preclude Amerinet from making another award in the same product category to another supplier at some time in the future, if appropriate.

In all situations, Amerinet reserves the right to make an award on a market needs basis by market (class of trade, geographical region, etc.).

Important Notes:

1. Options Agreements. Amerinet strives to support its existing contract suppliers to the extent possible. Amerinet will work to support the suppliers under contract in the specific product category as much as possible when a member is evaluating a product category. However, specific member(s) may request that Amerinet include suppliers not currently under contract for the particular product category.
2. HUB Contracting. Amerinet reserves the right to address member needs relative to HUB (minority, women and disabled American Veteran owned businesses) contracting. These agreements will not be considered in violation of an existing agreement when negotiated with certified HUB suppliers for specific members.
3. Overlaps in Product Categories. Many supplier portfolios are large and contain products that are included in another contracted supplier's portfolio. Many times the overlap products are small or minimal in nature and do not affect the award or competitiveness of the award. Amerinet reserves the right to include overlap products on an agreement without violating other existing agreements.
4. New Technology. Amerinet has and will continue to use and enforce its New Technology clause and add suppliers as applicable. At its discretion, Amerinet will consider adding agreements or products in new technology areas without going through the described bid/RFP process. In some cases, a new technology claim for a product is readily identifiable and, the product is added to the Amerinet portfolio as a niche product after the review is complete. In situations where there is a question about the claim by the supplier that a product represents new or niche technology, Amerinet will, at its discretion, consult with the appropriate Member Input Groups (MIG) or the Amerinet Member Input Board (MIB) for evaluation. This evaluation may take a number of avenues, which includes, but not limited to:
 - (a). Requesting that the supplier with the proposed niche technology product meet with the MIB or MIG, as appropriate, for a review and demonstration of the product and the new technology claim,
 - (b). Providing literature and samples to the MIB or MIG representatives for-review at their individual facilities,
 - (c). Review the technology during a routine conference call or similar venues.
 - (d). In all situations, the final decision will be communicated to the interested supplier within 60 days of the meeting or call.

II. Process Overview

Amerinet has developed a contracting process that provides interested suppliers the opportunity to participate through a Web-based bid or electronic RFP process. Each supplier is encouraged to routinely review the Amerinet Supplier Section in the Amerinet public Web site (amerinet-gpo.com). Product categories due to expire within the next 18 months will be identified. Suppliers interested in participating in the competitive process must notify the Amerinet contract manager of their desire to receive an RFP. The cut-off date for a request for an RFP will be 9 months prior to the effective date of the new contract term as identified on the 18-month bid calendar. The notification timelines will be established for each contract category. If a supplier does not notify the Amerinet contract manager within the required timeframe, the supplier will be ineligible to participate in that particular bid cycle. RFP return timelines will be established for each category and will be clearly delineated within the RFP documents. Should a supplier's product category not appear on the 18-month calendar, it may mean that the end of the current cycle is further out than

18 months. If you have a new or niche product, please see the “Niche and Emerging Technology Product” section relative to this process.

Interested suppliers may request a RFP by accessing the website. Any supplier that does not have a current agreement with Amerinet will be required to complete an Amerinet Supplier Questionnaire and return it with the completed RFP. The responses to the questionnaire will be used by Amerinet in the review and evaluation process. Any supplier that is disqualified as a result of this review will be notified of the disqualification and the reasons for the disqualification. Amerinet reserves the right to use its supplier qualification criteria for inclusion of Suppliers in our bid process. Please see Section-IV, Supplier Minimum Qualifications, for an overview of the criteria.

Amerinet is committed to an objective contract development process. If a supplier believes they have been treated unfairly during the contracting process, please refer to the grievance process that is outlined in section VII of this document.

In any and all situations, Amerinet reserves the right to accept or reject any bid/RFP.

III. RFP Distribution and Receipt Process

An essential part of the competitive bidding or RFP process is a formalized method of receiving and accounting for each bid or proposal submitted in response to a RFP or invitation to bid. The following outlines the process:

- Product categories that are available for bid and the corresponding timelines will be listed on the Amerinet Web site under bid/RFP Calendar.
- Any supplier interested in participating should contact the contract manager via e-mail link on the calendar to request a bid/RFP package. If you do not contact the appropriate contract manager within the appropriate time frame as specified on the Web site, you will not receive a bid/RFP.

The assigned contract manager is responsible for sending bid/RFP packages to suppliers and maintaining a log of all such distributions.

- The bid/RFP package will include the time and date bid/RFP must be returned to Amerinet.
- Each bid/RFP must be received by Amerinet no later than the date and time stated in the bid/RFP package.
- The time and date of receipt for each bid/RFP response will be noted by Amerinet and responses will be stored in a secure location.
- Amerinet reserves the right to reject any bid or RFP received after the designated time.
- Amerinet reserves the right to review the market to the best of its ability for appropriate suppliers for any new product category identified by Amerinet or requested by the membership for contract consideration. Amerinet will conduct the appropriate competitive bid/RFP process and develop any subsequent agreements. These “new” product category(s) will be integrated into the competitive contracting process during the next contract cycle for that product category.

IV. Supplier Minimum Qualifications

- Minimum criteria, as outlined below, shall be included in all bid documents distributed by Amerinet. If the minimum set of criteria cannot be met, the supplier's proposal will not be considered.
- Product must be available either direct or through approved Amerinet distributors. Non-Amerinet distributors will not have access to this agreement. Amerinet reserves the right to waive this requirement under special circumstances.
- Prospective supplier must have a national sales force capable of servicing the Amerinet membership in a timely manner unless the contract area under consideration is regional in nature.
- Prospective supplier must have a dedicated customer service department capable of responding to the Amerinet membership in a timely manner.
- Products approved or regulated by any federal regulations must adhere to those regulations.
- Prospective supplier must have the capabilities to report utilizing the electronic formats outlined in the bid/RFP package.
- Prospective supplier must make its products available to all markets serviced by Amerinet as outlined in the bid/RFP package. Amerinet reserves the right to waive this requirement provided that this waiver is employed fairly for all bidders.
- Prospective supplier must agree to keep Amerinet market competitive throughout the life of the agreement. This includes pricing as well as the terms/conditions of the agreement.
- Prospective supplier must report any and all FDA warnings and sanctions, if applicable.
- The prospective supplier must have production capabilities to meet the volume of the Amerinet membership on a national or regional basis, as appropriate.

If Amerinet deems a supplier has not met these minimum criteria, the supplier will be notified and given 10 working days to respond to these issues or be subject to elimination from consideration for award.

V. Amerinet Supplier Credentialing and Registration Process

The Amerinet Supplier Verification and Credentialing Process was developed for business credentialing and compliance monitoring utilizing the services of Vendormate. It provides the Amerinet contracting team with critical information used in the analysis phase of the bid process. Vendormate checks Supplier's legal standing and history, and performs financial due diligence. Vendormate also verifies that the insurance information provided is current and valid.

The prospective supplier must complete the Amerinet supplier registration and credentialing process and pay the associated fee by visiting <https://amerinet-gpo.vendormate.com>. Details about the registration process required by the prospective supplier, and the related fee are provided as an addendum to the bid/RFP package, and must be completed prior to submission.

VI. Contract Award Decision Criteria and Process

The following outlines the key criteria used in the decision making process. The actual weighting of the criteria is defined as part of the preparation for review and evaluation. Amerinet reserves the right to not share the specific weighting.

Amerinet reserves the right to accept or reject any and all bid/RFPs.

A. Decision Criteria

- Quality of the product and related services
- Competitiveness and total financial value
- Member input/acceptability (as appropriate)
- Savings to members (immediate vs. expense of change)
- Member eligibility and recognition of Amerinet as the primary GPO
- Comparison to other Amerinet pricing
- Analysis of outside pricing (other GPOs, distributors, etc.)
- Market share within Amerinet and nationally
- Distribution capabilities
- Breadth of product portfolio within the product category
- Service/Support
- Sales representation, customer service, clinical, product warranty
- Fees/Rebates
- Reporting capabilities, method, timeliness, accuracy
- Financial health (commercial credit score, payment behavior, financial ratio strength)
- Legal and regulatory status
- Clear of sanctions or debarment (verified against 8 government watch lists)

B. Decision Process:

1. Analysis

- Clarify and decipher respondent bids or proposals
- Determine the total cost of the product(s) including freight and distribution as well as conversion costs to the extent possible
- Compare respondents and their bids or proposals to the decision criteria, other respondents, and other market pricing

2. Preliminary Award Decision

- Consider needs and requirements of the membership along with market assessment
- Seek Amerinet member input and evaluation as applicable
- Determine best overall value of each bid based upon criteria taking into consideration member and individual contract division needs
- Identify preliminary recommendation for award(s) pending resolution of any outstanding issues and finalization of any additional negotiation points

3. Negotiation/Issue Resolution

- Discuss outstanding issues or requested changes with potential supplier(s)
- Resolve issues satisfying all legal, financial, corporate, and regulatory requirements
- Come to an agreement with successful supplier

4. Finalize terms and agreement

- Draft preliminary agreement, finalize all terms and sign agreement

- Develop roll-out and implementation plan in conjunction with selected supplier, Amerinet specialist team and Amerinet sales as appropriate
- Prepare new agreement contract data summary (CDS)
- Notify all bidders of decision
- Notify Amerinet members and include key contract benefits

VII. Supplier Grievance Process

Any supplier who believes they have a grievance concerning their experience with the Amerinet competitive contracting process may file a grievance in writing within 30 days of the announcement of the award by sending an e-mail to the appropriate contract manager stating the reasons for the grievance with copies to Mike Costabile, the Amerinet Compliance Officer (mike.costabile@amerinet-gpo.com), Randy Walter, Executive Vice President, Enterprise Solutions, Marketing and Contracting (randall.walter@amerinet-gpo.com) and Dale Wright, Sr. Vice President, Corporate Contracting (dale.wright@amerinet-gpo.com).

Amerinet will acknowledge receipt of grievance immediately and provide a detailed response within 90 days. Included in the response will be the following information:

- Major elements which were considered in the final selection
- Rationale for final decision

In the event that this review indicates that the appropriate contracting processes were not followed by the Amerinet contracting team, the Amerinet Chief Contracting and Compliance Officers will identify, in their sole discretion, a course of action, which may or may not include re-evaluating the award decisions.

VIII. Record Retention Policy

All records will be retained per the Amerinet Records Retention Policy which requires that all agreements, RFPs, RFP responses and related contracting documents will be kept for the duration of the contract term covered by such documents and one subsequent contract cycle, not to exceed 6 (six) years in total.