



Effective Date: April 9, 2007

Dear Vendor,

Children's Medical Center has implemented a vendor program that includes a series of strict policies aimed at better managing the rising complexity of regulatory compliance issues. The policies were developed with patient safety in mind and will establish protocols for a more professional and consistent relationship with vendors. The involvement of all Children's Medical Center vendors is required.

We have created the Children's Medical Center Vendor Program for online registration and vendor compliance management. Through a relationship with Vendormate Inc., the Children's Medical Center Vendor Program allows us to maintain a repository of contact, financial, legal, and product information for our vendors; in addition to establishing a platform for policy and documentation exchange.

The Children's Medical Center Vendor Program provides the following benefits for participating vendors:

- **Ensure contact information is always current:** Don't be dependent on the buyer finding the business card you left. Register in the Children's Medical Center Vendor Program where you can enter not only name, phone number, and address but also exactly which products you sell, your references, and all required certifications and licenses.
- **Extend your exposure:** Extend your visibility beyond the buyer you have developed a relationship with. As a registered vendor your contact and product information is accessible to all Children's Medical Center buyers.
- **Become compliant:** Show true professionalism and business transparency by acknowledging all Children's Medical Center policies. Policy and compliance documents are exchanged electronically, simplifying the tedious and redundant paperwork that is often required to conduct business. Further, the system notifies you via email when Children's Medical Center adds new policies or when business critical documents (i.e., certificates of insurance, product certifications, professional licenses, etc.) that you provide are approaching expiration.
- **Leverage marketing opportunities:** As a registered vendor take advantage of opportunities to market your company and products or services. Children's Medical Center buyers access the system daily to search for, evaluate and select vendors. Have your logo featured on the Buyer Dashboard to increase your company's exposure. Load product collateral, presentations or fact sheets.

- **Join the universal directory:** By registering your business in the Children's Medical Center Vendor Program, you are automatically added to the universal directory managed by Vendormate. Being a part of the directory gives your company exposure to over 200 buyers with \$500 million in annual purchases and more are joining every day. Therefore when entering your sales representative information enter all relevant products/services you sell, not just those that apply to Children's Medical Center.

By the set deadlines (see attached table) all existing vendors must be listed in the system in order to continue doing business with Children's Medical Center. Please direct the person responsible for managing your company's relationship with Children's Medical Center to the website address, [www.childrens.com/vendors](http://www.childrens.com/vendors) to register your business. There is a nominal annual fee for vendor registration which is per company registration, not per representative. The annual fee is paid to our vendor program management company and is used to purchase third party data, perform screening and credentialing, store compliance information and documentation, perform analytics, notify vendors of training, policy changes, and compliance regulations, and monitor and alert company status throughout the year. We expect each of your sales representatives who sell to or interact with us to register and provide his/her representative details. Only the first representative to register will be charged the fee.

I thank you for your service to Children's Medical Center and appreciate your participation in this program. If you have business questions concerning the Children's Medical Center Vendor Program please contact [vendors@childrens.com](mailto:vendors@childrens.com). If you require technical assistance in completing the registration, please contact [childrensmedicalcenter@vendormate.com](mailto:childrensmedicalcenter@vendormate.com).

Sincerely,



Ray Dzesinski  
Senior Vice President Finance and Chief Financial Officer

## Children's Medical Center Vendor Program

Phase	Phase Criteria	Cost	Begin Date	Deadline Date
1	High profile vendors: <ul style="list-style-type: none"> <li>• Vendor representatives in procedural patient care areas to include but not limited to the Operating Room, Catherization Lab, Endoscopy, and Radiology</li> <li>• Vendors who have direct contact with patients</li> <li>• Vendors in the Pharmaceutical area</li> <li>• High Spend</li> </ul>	\$225 per year per company	April 9, 2007	June 1, 2007
2	Low profile vendors <ul style="list-style-type: none"> <li>• Not in procedural areas</li> <li>• No direct contact with patients</li> <li>• Not in the Pharmaceutical area</li> <li>• Low Spend</li> </ul>	\$50 per year per company	April 9, 2007	June 1, 2007

# Importance of the Vendor Program

Compliance Reasons		
Vendors with spend or on premises	Health & Human Services (HHS) Office of Inspector General (OIG)	Federal government mandate to check all vendors against the "List of Excluded Individuals/Entities" for a Medicare/Medicaid Fraud sanction list
	U.S. Treasury - Office of Foreign Assets Control (OFAC)	Federal government mandate to continuously monitor that no vendors representatives are on the Terrorist watch list
	Deficit Reduction Act	Federal regulation of policy and training presentation
	Stark Law / Anti-kickback Federal Statute	Must have an auditable record of all disclosures of conflicts of interest
	Health Insurance Portability and Accountability Act (HIPAA)	Ensure patient information is protected and have complete records of all who are granted access to it
	Homeland Security	Know all vendor representatives onsite along with current company and individual contact information
Vendors in procedural areas or with direct patient contact	Joint Commission (JCAHO) Audits	<ul style="list-style-type: none"> <li>Control facility access</li> <li>Attain immunizations and product/service competency</li> </ul>
	CDC/AORN/ACS	Verify immunizations and multiple training certificates for any healthcare vendor representative with access to procedural areas
Supply Chain Reasons		
Security	Identify vendor representatives in the facilities; who are they, where are they going and who are they meeting	
Central Contact Information	Access valid self reported contact information by all the vendor representatives	
Policy Acknowledgment	Ensure all vendors accept policies and understand consequences for non compliance	
Vendor Viability	Understand vendor financial and legal health	
Performance	Review vendor score and comments related to your company's specific experience before making purchasing decisions	
Merger and Acquisitions	Attain more information on vendor mergers and acquisitions	