

Cumberland County Hospital System, Inc.

Administrative Policy - Procedure

TITLE: Vendor Relations	POLICY NUMBER	APPROVED BY MN	EFFECTIVE DATE 3/1/2003	Page 1 of 5
--	----------------------	--------------------------	-----------------------------------	-------------

POLICY: Cape Fear Valley Health System (CFVHS) requires that its employees, vendors and their representatives observe the guidelines set forth herein when conducting business CFVHS. Failure of a vendor representative to respect this policy may result in termination of the privilege to access CFVHS facilities and affiliates.

PURPOSE:

To provide guidance for the selection, credentialing, performance, and visitation requirements for CFVHS's vendors and their representatives.

To provide guidance to employees and vendor representatives relative to vendor expectations and relationships at CFVHS.

To provide a vendor program that protects medical/dental staff and employee efficiency and integrity, avoids disruption of care, and ensures patient safety, privacy, and confidentiality.

To provide a process for monitoring onsite visitation of vendor representatives.

DEFINITIONS:

A. Vendor: Any entity from which CFVHS purchases goods or services.

Vendor Sales Representative: An individual working for a vendor whose purpose is to influence the organization to purchase its products or services as well as those individuals performing education about product use.

Vendor Service Representative: An individual working for a vendor whose purpose is to perform periodic or required maintenance on instrumentation or equipment being used within CFVHS.

Low Risk Vendors: Those vendor sales or service representatives who only deal with non-clinical areas and with whom the Health System spends less than \$5,000.00 per year.

Medium Risk Vendors: Those vendor sales or service representatives who deal with either clinical or non-clinical areas and with whom the Health System spends between \$5,001.00 and \$25,000 per year.

High Risk Vendors: Those vendor sales or service representatives who work for pharmaceutical companies, or who wish to be present during invasive procedures, and any representative of any company with which CFVHS spends greater than \$25,000.00 per year.

Vendor Selection:

A. New vendors are selected based on the following:

1. Committed and favorable pricing
2. Delivery lead times
3. Distribution programs
4. Documented clinical studies supporting the use of their products
5. Favorable terms

Reviewed/Revised 8/03, 4/2/07, 5/20/08, 8/24/09, 6/28/10	Reviewed/No Change	Originating Department: Purchasing	Did this Policy Replace Another Policy? Yes No X	If Yes, Old Policy Title:
--	--------------------	--	--	------------------------------

Cumberland County Hospital System, Inc.

Administrative Policy - Procedure

TITLE: Vendor Relations	POLICY NUMBER	APPROVED BY MN	EFFECTIVE DATE 3/1/2003	Page 2 of 5
--	----------------------	--------------------------	-----------------------------------	-------------

6. Financial stability
7. Green purchasing
8. Group purchasing organization affiliation
9. Product support
10. Product packaging
11. Technology
12. Vendor innovation

- B. Existing vendors are evaluated on all of the above and the following annually to extend their status as an approved vendor for CFVHS:
1. Adherence to policies (appointments, badge requirements, credentialing, etc.)
 2. Invoice discrepancies and resolution
 3. Order errors and service recovery
 4. Price changes
 5. Responsiveness to emergent situation

Vendor Credentialing:

- C. There are certain entities with whom CFVHS may conduct business that are exempt from participating in the CFVHS vendor program. Examples of exceptions include:
1. Academic institutions
 2. Catering for off site events
 3. City, County, State, and Federal agencies
 4. Corporate entities who provide legal or financial services to CFVHS
 5. Travel industry representatives
 6. Other health care systems
 7. Professional affiliations
 8. Representatives of The Joint Commission and other regulatory agencies
- D. Vendors and vendor representatives are required to register in the CFVHS program managed by Vendormate, Inc. unless classified as exempt by the Purchasing Manager.
1. The registration website address is <http://www.capefearvalley.com/vendors/index.cfm>
 2. Registration fees are paid directly to Vendormate, Inc.
- E. Vendors who choose not to participate in the CFVHS vendor program are not selected as an approved vendor for CFVHS.
- F. Each vendor representative is required to provide documentation during the registration process specific to his/her risk category in order to be credentialed for doing business with CFVHS. This documentation includes but is not limited to:

Reviewed/Revised 8/03, 4/2/07, 5/20/08, 8/24/09, 6/28/10	Reviewed/No Change	Originating Department: Purchasing	Did this Policy Replace Another Policy? Yes No X	If Yes, Old Policy Title:
--	--------------------	--	--	------------------------------

Cumberland County Hospital System, Inc.

Administrative Policy - Procedure

TITLE: Vendor Relations	POLICY NUMBER	APPROVED BY MN	EFFECTIVE DATE 3/1/2003	Page 3 of 5
--	----------------------	--------------------------	-----------------------------------	--------------------

1. Letter of attestation on official company letterhead acknowledging completion of a criminal background check.
 2. Proof of a current tuberculosis test for representatives who are present for invasive procedures.
 3. Letter of attestation on official company letterhead citing training and proficiency on the product line or equipment that the representative is demonstrating, in-servicing, or providing technical assistance, and that the vendor meets regulatory compliance guidelines for the product line.
- G. Vendor representatives who do not provide required documentation during the registration process are not authorized to conduct business at CFVHS until registration requirements are met.
- H. Vendor representatives acknowledge reading required policies and statements and indicate that they agree to abide by such during the registration process. These documents may include but not limited to:
1. Invoice Submission Statement
 2. Corporate Compliance
 3. Code of Conduct
- I. Vendor representatives who do not update or provide additional documentation as required are not authorized to conduct business at CFVHS until required documents are provided.
- J. Registration is renewed every twelve months.
- K. Vendor representatives who choose not to participate in the CFVHS vendor program are not authorized to conduct business with CFVHS.

Vendor Visitation:

- A. Vendor representatives are required to register in the CFVHS vendor program prior to conducting business onsite (see Vendor Credentialing statement).
- B. Vendor representatives coordinate appointment requests through the purchasing representative assigned to the area they visit.
- C. Vendor representatives sign in on the day of their appointment at one of the vendor check-in locations.
- D. Vendor representatives return the temporary vendor badge and its holder to the location where it was received.
- E. Vendor representatives do not conduct onsite visits within the institution without a prior

Reviewed/Revised 8/03, 4/2/07, 5/20/08, 8/24/09, 6/28/10	Reviewed/No Change	Originating Department: Purchasing	Did this Policy Replace Another Policy? Yes No X	If Yes, Old Policy Title:
---	---------------------------	--	---	----------------------------------

Cumberland County Hospital System, Inc.

Administrative Policy - Procedure

TITLE: Vendor Relations	POLICY NUMBER	APPROVED BY MN	EFFECTIVE DATE 3/1/2003	Page 4 of 5
--	----------------------	--------------------------	-----------------------------------	-------------

- appointment being scheduled as outlined above.
- F. Vendor representatives do not visit any other department or individual while onsite for their appointment.
 - G. Vendor representatives do not visit or approach medical/dental staff in clinical areas except for pre-arranged educational purposes. Regularly scheduled appointments with medical/dental staff members are held in the medical/dental staff member's office.
 - H. Vendor representatives do not leave product samples with the end user unless instructed to do so by the purchasing representative assigned to that section, with the exception of food items which may be left with the Director of Food and Nutrition Services, or infant formula which may be left on any pediatric unit.
 - I. Vendor representatives conform to the policies on purchasing and value analysis.
 - J. No one in the organization presents himself or herself in a way that portrays them as authorized to commit the organization to purchases other than those appointed as purchasing agents or buyers.
 - K. Supplier representatives who request to be present during any patient procedure have the permission of the department director responsible for the area and conform to patient safety guidelines.
 - L. Organizational employees report noncompliant vendor representatives to security and the purchasing department.
 - M. Vendor representatives sign in at one of the following locations on the day of his/her appointment to receive a visitor badge:
 - 1. Purchasing Department
 - 2. Cape Fear Valley Main Lobby
 - 3. Health Pavilion North Reception
 - 4. Primary Care and Specialty Practices
 - N. Vendor representatives who violate this policy are addressed as follows:
 - 1. 1st violation – Warning letter to the individual and their supervisor
 - 2. 2nd violation – Visitation privileges suspended for thirty days
 - 3. 3rd violation – Barred from CFVHS permanently

Responsibility: CFVHS Employees

Other Applicable Policies:

- A. Administrative Policies as follows:
 - 1. Confidentiality and Information Access Policy for the Health System
 - 2. Contracting
 - 3. Guest Internet Acceptable Use Policy
 - 4. Medical Equipment Inspection

Reviewed/Revised 8/03, 4/2/07, 5/20/08, 8/24/09, 6/28/10	Reviewed/No Change	Originating Department: Purchasing	Did this Policy Replace Another Policy? Yes No X	If Yes, Old Policy Title:
--	--------------------	---------------------------------------	--	---------------------------

Cumberland County Hospital System, Inc.

Administrative Policy - Procedure

TITLE: Vendor Relations	POLICY NUMBER	APPROVED BY MN	EFFECTIVE DATE 3/1/2003	Page 5 of 5
--	----------------------	--------------------------	-----------------------------------	-------------

- 5. Patient and Visitor Parking
- 6. Purchase Requisition
- 7. Tobacco Free Environment

- B. Human Resources Policies as follows:
 - 1. Behavior of Employees
 - 2. Conflict of Interest
 - 3. Employee Responsibilities

- C. Vendor Representatives park in the Pavilion Parking Deck.

- D. Purchase Orders: Orders are not valid without a Purchase Order Number assigned by the Purchasing Department. Orders are not placed by employees unless a Purchase Order Number confirms it. Orders are priced before they are placed by the Purchasing Department.

- E. New Products: Samples of merchandise or equipment to be evaluated are coordinated through the Purchasing Department. **No new products may be introduced into the facility without prior approval from the Purchasing Department.** The only exception is in an emergent situation where a physician has specifically requested a product for one-time usage and the unit director has approved. New product evaluation follows the Value Analysis procedure. New products brought into the facility without proper authorization are considered no-charge samples.

- F. Repair or service: Prior to reporting to the requesting unit, repair and service representatives report to Purchasing or Security (after 4:30 p.m.) to obtain an ID badge and to sign in. When the work is completed, repair or service personnel report to the Purchasing Department with a service report signed by the Department Manager. After 4:30 p.m. or during weekends when emergency service is required, the service personnel report to Security. The completed service report is delivered to the Purchasing Department on the next business day for purchase order assignment. This applies to repairs done by vendors that are not coordinated through Clinical Engineering.

- G. Shipments/Deliveries: Shipments are made Free On Board (FOB) Cape Fear Valley Health System. Purchase Order Numbers are placed on packages, packing slips, bills of lading, invoices, and correspondence. Deliveries are made through the Receiving Department.

Reviewed/Revised 8/03, 4/2/07, 5/20/08, 8/24/09, 6/28/10	Reviewed/No Change	Originating Department: Purchasing	Did this Policy Replace Another Policy? Yes No X	If Yes, Old Policy Title:
---	---------------------------	--	---	----------------------------------