Intalere Contracting Process

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

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### I. Contracting Statement

Intalere believes in a competitive process for the development of all its agreements, looking at the total cost or value of each agreement. In order to provide our members with the most competitive and cost effective portfolio, each product category is thoroughly reviewed by a sourcing team comprised of contracting, sales, clinical specialists, and members. This enables Intalere to look at each opportunity to review all aspects to develop and agreement(s) that meets the needs from all perspectives. This isn’t to say pricing will be the number one factor, but will be included in the analysis.

Types of Product Awards:

Intalere primarily awards agreements on a dual-source basis; however, this may be modified as appropriate for a product category when deemed necessary by Intalere. 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** – refers to those categories where there’s only one supplier that provides the product.  
- **Single Source** – refers to categories where, even though there are other suppliers that provide similar products, but only one supplier is contracted with.  
- **Dual Source** – refers to categories where two suppliers are contracted with to provide similar products.  
- **Multi Source** – refers to categories where several suppliers are contracted with to provide similar products.  
- **Exclusive Source** – refers to categories where each party agrees to contract with only the other party for a defined period of time.

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

1) **Options Agreements.** Intalere strives to support its existing contract suppliers to the extent possible. Intalere 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 Intalere include suppliers not currently under contract for the particular product category.

2) **Supplier Diversity Contracting.** Intalere reserves the right to address member needs relative to supplier diversity (minority, women and disabled American Veteran owned businesses) contracting. These agreements will not be considered in violation of an existing agreement(s) when negotiated with certified supplier diversity 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. Intalere reserves the right to include overlap products on an agreement without violating other existing agreements.

4) **New Technology.** Driven by its members, Intalere has and will continue to use and enforce its New Technology clause and add suppliers as applicable. At its discretion, Intalere will consider adding agreements and/or products in new technology areas without going through the described bid/RFP process. In all cases, Intalere will consult with the appropriate member groups for review and evaluation. This evaluation may take a number of avenues, which includes, but not limited to:

   1. Requesting that the supplier with the proposed niche technology product meet with the member group, as appropriate, for a review and demonstration of the product and the new technology claim,
   2. Providing literature and samples to the member group representatives for review at their individual facilities,
   3. Review the technology during a routine conference call or similar venues,
   4. In all situations, the final decision will be communicated to the interested supplier within 60 days of the meeting or call.

II. **Process Overview**

Intalere 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 Intalere Supplier Section on the Intalere public website (www.intalere.com). Product categories, open for bid, will be identified on the bid calendar. Suppliers interested in participating in the competitive process must select the Request RFP link next to the contract category they wish to participate in. The cut-off date for a request for an RFP is noted on the calendar. If a supplier does not select the Request and RFP link for the category within the required timeframe, the supplier may 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. Intalere reserves the right to modify the bid calendar as needed. Suppliers should review the bid calendar often to view the latest updates. 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. Intalere 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.
Intalere 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, Intalere 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:

- Intalere has partnered with Ivalua for their contract management system and ALL suppliers must be registered with Ivalua. This is at no cost to the supplier. RFP request will be sent via the Ivalua contract management system.
- Product categories that are available for bid and the corresponding timelines will be listed on the Intalere website under bid/RFP Calendar.
- Any supplier interested in participating should click the Request RFP link on the calendar to request a bid/RFP package.
- The bid/RFP Sourcing Project will include the time and date bid/RFP must be returned to Intalere.
- Intalere reserves the right to review the market to the best of its ability for appropriate suppliers for any new or existing product category identified by Intalere or requested by the membership for contract consideration. Intalere will conduct the appropriate competitive bid/RFP process and develop any subsequent agreements. These “new” product category(s) will be integrated into the sourcing process during the next contract cycle for that product category.

IV. **Supplier Minimum Qualifications**

A minimum criteria, as outlined below, shall be included in all bid documents distributed by Intalere. 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 Intalere distributors. Non-Intalere distributors will not have access to this agreement. Intalere reserves the right to waive this requirement under special circumstances.
- Prospective supplier is expected to have a national sales force capable of servicing the Intalere 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 Intalere 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 Sourcing Project.
- Prospective supplier must make its products available to all markets serviced by Intalere as outlined in the bid/RFP Sourcing Project. Intalere reserves the right to waive this requirement provided that this waiver is employed fairly for all bidders.
- Prospective supplier must agree to keep Intalere 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.
- Prospective supplier must have production capabilities to meet the volume of the Intalere membership on a national or regional basis, as appropriate.
If Intalere deems a supplier has not met these minimum criteria, the supplier will be notified and given ten (10) working days to respond to these issues or be subject to elimination from consideration for award.

V. **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 sourcing process. Intalere reserves the right to not share the specific weighting.

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

A. **Decision Criteria**

- Quality of the product and related services
- Pricing competitiveness
- Member, sales, and clinical specialist input/acceptability (as appropriate)
- Total value to members (immediate vs. expense of change)
- Member eligibility and recognition of Intalere as the primary GPO
- Market share within Intalere 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 government watch lists)

B. **Decision Process:**

1. **Analysis**

- Clarify and decipher respondent bids or proposals
- Determine the total cost and value 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 Intalere member input and evaluation as applicable
- Seek Intalere sales and clinical specialist input to verify landscape and provide additional member feedback
- Determine best overall value of each bid based upon criteria, taking into consideration member and portfolio 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, Intalere specialist team and Intalere sales as appropriate
   - Prepare new agreement contract data summary (CDS)
   - Notify all bidders of decision
   - Notify Intalere members and include key contract benefits

**VI. Supplier Grievance Process**

Any supplier who believes they have a grievance concerning their experience with the Intalere competitive contracting process may file a grievance in writing within thirty (30) days of the announcement of the award by sending an email to the appropriate Director of Contracting stating the reasons for the grievance with copies to Steve Schoch, the Intalere Compliance Officer (steve.schoch@intalere.com) and Tim Franke, VP, Category Management & Sourcing (tim.franke@intalere.com).

Intalere will acknowledge receipt of grievance immediately and provide a detailed response within ninety (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 Intalere contracting team, the Intalere VP, Category Management & Sourcing and Compliance Officers will identify, in their sole discretion, a course of action, which may or may not include reevaluating the award decisions.

**VII. Record Retention Policy**

All records will be retained per the Intalere 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 10 (ten) years in total.