



2008

ANNUAL PUBLIC ACCOUNTABILITY QUESTIONNAIRE

1. Please describe the key components of the GPO's written code of business ethics and conduct. (Please provide a copy and describe any changes since the last submission.)

Please assure your response includes:

- 1.1. The title of the GPO's written code of business ethics and conduct.
- 1.2. Summary of the key components of the GPO's written code of business ethics and conduct.
- 1.3. Identification of changes that have been made to the written code of business ethics and conduct since last year.

1.1. The title of Broadlane's written code of business ethics and conduct is the "Ethics and Compliance Program".

Links:

- Ethics and Compliance Program at http://www.broadlane.com/com/com_7_4.html
- Ethics and Compliance Program Handbook at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

1.2 The key components of the Ethics and Compliance Program are:

- Message from Broadlane's Chief Executive Officer
- Broadlane's Mission, Vision and Values
- Ethics and Compliance Program Overview
- Standards of Business Conduct (including Conflict of Interest and Gift Limitation Policies)
- Broadlane Policy Regarding Contracting Activities
- Violations and Enforcement Policy

The Ethics and Compliance Program reflects Broadlane's commitment to the highest ethical standards and to strict compliance with the law. The Governance and Ethics Committee of Broadlane's Board of Directors adopted the Ethics and Compliance Program to provide Broadlane's employees, directors, and client¹ committee members with the resources necessary to responsibly conduct Broadlane's business.

The Message from Broadlane's Chief Executive Officer emphasizes Broadlane's commitment to ethics and compliance. Broadlane's Mission, Vision and Values statement sets forth the broad obligations underlying Broadlane's Ethics and Compliance Program. The Ethics and Compliance Program Overview describes the structure and organization of Broadlane's Ethics and Compliance Program. There are separate Standards of Business Conduct for Broadlane employees, directors, and client committee members, each of which contains a tailored Conflict of Interest Policy and Gift

¹ Although the Ethics and Compliance Program refers to providers that contract with Broadlane as "customers", Broadlane's current practice is to refer them as "clients" and that usage is reflected in this document. Similarly, Broadlane's current practice is to refer to "vendors" as "suppliers", as is also reflected in this document.

Limitation Policy. Collectively, the Standards of Business Conduct and the Broadlane Policy Regarding Contracting Activities set forth policies to ensure Broadlane complies with all applicable laws and conducts business with the highest degree of integrity.

Links:

- Ethics and Compliance Program at http://www.broadlane.com/com/com_7_4.html
- Ethics and Compliance Program Handbook at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

- 1.3.** Broadlane made no changes to the Ethics and Compliance Program in the last year. Consistent with Broadlane's Ethics and Compliance Program requirement to consistently evaluate the program, Broadlane reviews and considers best-practice improvements to the program on at least an annual basis. Through that process, Broadlane made substantive revisions to the Ethics and Compliance Program in May 2003, June 2004, July 2005, and November 2005. Broadlane's Compliance Officer presents any revisions to Broadlane's Ethics and Compliance Program to the Governance and Ethics Committee of Broadlane's Board of Directors and this Committee may approve or reject any revision. Only revisions approved by this Committee are implemented into the Ethics and Compliance Program.

Links:

- Ethics and Compliance Program at http://www.broadlane.com/com/com_7_4.html
- Ethics and Compliance Program Handbook (page 8) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

- 2. Please describe the GPO's policies and procedures that address conflicts of interest for all employees and clinical advisory members in a position to influence contracting decisions and for all other employees and members of the Board of Directors and/or the GPO's governing body.**

Please include in your answer:

- 2.1. Who is covered by your conflict of interest policies?
- a) All employees or employees directly involved in purchasing?
 - b) All executives of the company or those directly supervising purchasing activity?
 - c) The board of directors?
 - d) Members of clinical advisory committees?
 - e) Any other groups?
- 2.2. What are the primary conflict of interest constraints for each of the categories listed in the question above?
- a) No equity investments in participating vendors or disclosure of equity investments? (Or no investments above a threshold dollar level?)
 - b) No service on boards of directors of participating vendors or disclosure of board

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| | of director positions? |
| c) | Are gifts allowed to be accepted from or provided to vendors? If yes, please describe the limitations. |
| d) | Are meals or entertainment allowed to be accepted or provided to vendors? |
| e) | Other constraints? |

2.1. All Broadlane employees, directors, members of our client committees, and any applicable Broadlane group purchasing agent must adhere to a stringent Conflict of Interest Policy and Gift Limitation Policy contained in the applicable Standards of Business Conduct in Broadlane's Ethics and Compliance Program.

Links:

- Employee Standards of Business Conduct at <http://www.broadlane.com/ourcompany/files/Employee.pdf>
- Director Standards of Business Conduct at <http://www.broadlane.com/ourcompany/files/Directors.pdf>
- Committee Member Standards of Business Conduct at <http://www.broadlane.com/ourcompany/files/Committee.pdf>
- Ethics and Compliance Program Handbook (pages 11-18) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

2.1.a. All employees (including any executive) must adhere to the stringent Conflict of Interest Policy and Gift Limitation Policy contained in the Employee Standards of Business Conduct in Broadlane's Ethics and Compliance Program.

Links:

- Employee Standards of Business Conduct at <http://www.broadlane.com/ourcompany/files/Employee.pdf>
- Ethics and Compliance Program Handbook (pages 12-14) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

2.1.b. All Broadlane executives must adhere to the stringent Conflict of Interest Policy and Gift Limitation Policy contained in the Employee Standards of Business Conduct in Broadlane's Ethics and Compliance Program.

Links:

- Employee Standards of Business Conduct at <http://www.broadlane.com/ourcompany/files/Employee.pdf>
- Ethics and Compliance Program Handbook (pages 12-14) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

2.1.c. All Broadlane directors must adhere to the stringent Conflict of Interest Policy and Gift Limitation Policy contained in the Director Standards of Business Conduct in Broadlane’s Ethics and Compliance Program.

Links:

- Director Standards of Business Conduct at <http://www.broadlane.com/ourcompany/files/Director.pdf>
- Ethics and Compliance Program Handbook (pages 15-16) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

2.1.d. Each member of a Broadlane client committee (e.g., the Executive Steering Committee, a clinical advisory committee, or a physician task force) adhere to the stringent Conflict of Interest Policy and Gift Limitation Policy contained in the Committee Member Standards of Business Conduct in Broadlane’s Ethics and Compliance Program.

Links:

- Committee Member Standards of Business Conduct at <http://www.broadlane.com/ourcompany/files/Committee.pdf>
- Ethics and Compliance Program Handbook (pages 17-18) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

2.1.e. Broadlane also requires any of its agents involved in group purchasing activities to adhere to the stringent Conflict of Interest Policy and Gift Limitation Policy contained in the Employee Standards of Business Conduct in Broadlane’s Ethics and Compliance Program. Broadlane attaches a copy of the Ethics and Compliance Program to any written agreement with any of its group purchasing agents. In connection with its written agreement with a group purchasing agent, Broadlane requires the agent to represent and warrant that (a) it is familiar with the Ethics and Compliance Program, and (b) (when performing services on Broadlane’s behalf) the agent will at all times comply with (and ensure that each of its staff complies with) the applicable provisions of the Ethics and Compliance Program to the same extent those policies apply to Broadlane employees.

Links: Not applicable.

2.2a The Standards of Business Conduct applicable to employees, directors, and client committee members contains the Ethics and Compliance Program’s respective restrictions relating to owning individual equity interests² in suppliers.

² The Ethics and Compliance Program defines an “individual equity interest” as including securities, options, warrants, debt instruments (including loans), or rights to acquire any of the foregoing; and excluding (a) interests in mutual funds, or (b) interests held in a blind trust in which all investment decisions are independently managed by a third party and the existence and trust terms are fully disclosed to the Broadlane Compliance Officer to ensure that the neutrality of the GPO contracting decisions are protected.

The Employee Standards of Business has separate requirements depending on whether an employee (including any executive) is involved in supplier contract activity, and whether an individual equity interest is in a current or potential supplier.

All employees involved in any supplier contract activity must divest all individual equity interests in Broadlane's current suppliers in the specific supplier categories in which they work. All employees not involved in any supplier activity who own an individual equity interest in a current Broadlane supplier must recuse themselves from any discussion relating to that supplier. Any employee holding an individual equity interest in a potential supplier is required to recuse herself or himself from any discussions relating to that supplier.

Broadlane provides each employee with an updated list of Broadlane's suppliers on a semi-annual basis, and employees involved in supplier contracting must report any individual equity interest held in any listed supplier to Broadlane's Compliance Officer. In addition, Broadlane reminds all employees on a semi-annual basis that any employee involved in a supplier contracting activity is required to divest any individual equity interest in Broadlane's current suppliers in the specific supplier category in which they work.

The Director Standards of Business Conduct requires directors who have an individual equity interest in a supplier or potential supplier to recuse themselves from any discussions relating to that supplier. Broadlane provides an updated list of current Broadlane suppliers to directors annually.

If a client committee member (a) is in a position to influence Broadlane's supplier contract decisions, and (b) has an individual equity interest in a supplier or potential supplier, then the Committee Member Standards of Business Conduct requires that committee member to recuse herself or himself from any discussions relating to that supplier. Broadlane provides an updated list of current Broadlane suppliers to committee members annually.

Links:

- Employee Standards of Business Conduct at <http://www.broadlane.com/ourcompany/files/Employee.pdf>
- Director Standards of Business Conduct at <http://www.broadlane.com/ourcompany/files/Director.pdf>
- Committee Member Standards of Business Conduct at <http://www.broadlane.com/ourcompany/files/Committee.pdf>
- Ethics and Compliance Program Handbook (pages 12-13, 15-18) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

2.2.b. The Standards of Business Conduct applicable to employees, directors, and client committee members contains the Ethics and Compliance Program's stringent requirements relating to conflicts of interest. All of the Standards of Business Conduct

require that the applicable person must conduct business in a manner to avoid any actual or potential conflict of interest (including the perception or appearance of a conflict of interest). In all cases, an employee, director, and client committee member must avoid any activity that (a) is inconsistent with (or opposed to) Broadlane's business or best interests, or (b) otherwise gives the appearance of impropriety.

The Employee Standards of Business Conduct requires that a Broadlane employee should not be a director or officer of (or having any other substantial involvement with) any competitor of Broadlane or with any supplier or similar entity with which Broadlane contracts (or with which it is likely to contract) on behalf of its clients.

The Director Standards of Business Conduct requires that a Broadlane director must agree not (a) to be a director or officer of (or have any other substantial involvement with) any competitor of Broadlane; and (b) to influence or have any involvement in the decision-making process with respect to Broadlane's awarding, modifying, or terminating a contract with a supplier (or similar activities).

The Committee Member Standards of Business Conduct requires that a client committee member should not be a director or officer of (or having any other substantial involvement with) any supplier or similar entity with which Broadlane contracts (or with which it is likely to contract) on behalf of its clients or any competitor of Broadlane.

Links:

- Employee Standards of Business Conduct at <http://www.broadlane.com/ourcompany/files/Employee.pdf>
- Director Standards of Business Conduct at <http://www.broadlane.com/ourcompany/files/Director.pdf>
- Committee Member Standards of Business Conduct at <http://www.broadlane.com/ourcompany/files/Committee.pdf>
- Ethics and Compliance Program Handbook (pages 12-13, 15-18) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

2.2.c. The Standards of Business Conduct applicable to employees, directors, and client committee members contains the Ethics and Compliance Program's stringent requirements relating to gifts³. For all of the Standards of Business Conduct, Broadlane's policy is to not allow the giving or receiving of gifts in the course of a business relationship. Once annually, Broadlane will send a reminder of its Gift Limitation Policy to all individuals and entities with which Broadlane contracts on behalf of its healthcare provider clients. In addition, Broadlane will send a reminder of this policy to all supplies at the time that Broadlane solicits bids from them in addition to providing them a copy of the Ethics and Compliance Program (which includes the Gift Limitation Policy).

³ The Ethics and Compliance Program defines a "gift" broadly to include physical items, as well as transportation, food, and entertainment (excluding certain business and educational functions), flowers, and liquor.

The Employee Standards of Business Conduct requires that Broadlane and any Broadlane employee must not make any gifts to individuals or entities that do business with Broadlane (or are likely to do business with Broadlane). In addition, Broadlane employees must not receive any gift from individuals or entities that do business with Broadlane (or are likely to do business with Broadlane).

Any employee that receives a gift must advise the Compliance Officer and the Compliance Officer will determine how to dispose of the gifts. If a gift is non-perishable and returnable, then it is Broadlane's policy to return all gifts to the sender with a note of appreciation explaining Broadlane's gift limitation policy. If a gift is perishable or for which return is not practical, then Broadlane's policy is that the gift may be donated to a charitable cause.

The Director Standards of Business Conduct requires a Broadlane director to not receive any gifts from any supplier with which Broadlane contracts (or may contract) on behalf of its clients. In addition, directors must not make any gifts to any of these suppliers.

The Committee Member Standards of Business Conduct requires a client committee member to not receive any gifts from any supplier with which Broadlane contracts (or may contract) on behalf of its clients. In addition, client committee members must not make any gifts to any of these suppliers.

Links:

- Employee Standards of Business Conduct at <http://www.broadlane.com/ourcompany/files/Employee.pdf>
- Director Standards of Business Conduct at <http://www.broadlane.com/ourcompany/files/Director.pdf>
- Committee Member Standards of Business Conduct at <http://www.broadlane.com/ourcompany/files/Committee.pdf>
- Ethics and Compliance Program Handbook (pages 13-14, 16, 18) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

- 2.2.d.** Broadlane employees are prohibited from accepting any meal, beverage, or entertainment function from a supplier (or a prospective supplier) with whom Broadlane contracts on behalf of its clients except that employees may accept a modest meal and beverage when attending a business meeting at a supplier's location. The intent of this policy is to only allow employees to accept a modest meal when no other meal purchasing options are available at the supplier's corporate office. Internally, this is referred to as the "turkey sandwich exception."

Broadlane's general practice is for employees to not provide a supplier with any meal or entertainment, but for each party to pay for their own meal during a business meeting. Pursuant to the applicable Standards of Business Conduct relating to gifts, Broadlane directors and client committee members are not allowed to accept or provide meals and entertainment to a supplier except if it is related to a business or educational function.

Links:

- Employee Standards of Business Conduct at <http://www.broadlane.com/ourcompany/files/Employee.pdf>
- Director Standards of Business Conduct at <http://www.broadlane.com/ourcompany/files/Director.pdf>
- Committee Member Standards of Business Conduct at <http://www.broadlane.com/ourcompany/files/Committee.pdf>
- Ethics and Compliance Program Handbook (pages 14, 16, 18) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

2.2.e. Broadlane's clients, through supplier evaluation and selection committees, make all group purchasing contract strategy and award decisions, which allow Broadlane to remain objective in its dealings with suppliers.

In addition, Broadlane's Conflict of Interest Policies address all company activities (including other lines of business) that may compromise the independence of its group purchasing activities. The Conflict of Interest Policies requires all employees, directors, and client committee members to avoid any activity that is inconsistent with (or opposed to) Broadlane's business or best interests or that otherwise gives the appearance of impropriety. For example, the Conflict of Interest Policies contains applicable prohibitions for employees, directors, and committee members regarding:

- Acting as a director or officer of (or having any other substantial involvement with) any competitor of Broadlane.
- Conducting business with a personal friend or relative on behalf of Broadlane or any of its clients.
- Speculating or dealing in material, equipment, supplies, products, or other property or services in which Broadlane deals on behalf of its clients.
- Purchasing or selling (or assisting others in purchasing or selling) the securities of Broadlane or any other company based on non-public information obtained as a result of employment or other relationship with Broadlane.

Links:

- Employee Standards of Business Conduct at <http://www.broadlane.com/ourcompany/files/Employee.pdf>
- Director Standards of Business Conduct at <http://www.broadlane.com/ourcompany/files/Director.pdf>
- Committee Member Standards of Business Conduct at <http://www.broadlane.com/ourcompany/files/Committee.pdf>
- Ethics and Compliance Program Handbook (pages 12-13, 15, 17-18) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

3. Please describe the GPO's policies and procedures that address activities, including other lines of business of the GPO and the GPO's parent company or affiliates, that might constitute conflicts of interest to the independence of its purchasing activity.⁴

Please include in your answer:

- 3.1. List other lines of business or investments of the GPO or affiliates.
- 3.2. List other lines of business or investments of its parent company or parent affiliates.
- 3.3. What other services does the GPO and its parent company and/or affiliate sell to vendors?
- 3.4. What policies or guidelines does the GPO have to address any potential conflicts of interest with regard to other lines of business within the GPO and/or its parent or affiliated companies?
 - a) Does the GPO and/or its parent or affiliated companies have either a policy to ensure that it does not accept a corporate equity interest in any participating vendor or a policy to mitigate against this potential conflict of interest?
 - b) Does the GPO and/or its parent or affiliated companies accept any vendor fees relating to conference sponsorship or exhibit booth space or have a policy to guard against any potential conflict of interest relating to vendor participation in industry trade shows?
 - c) Does the GPO and/or its parent or affiliated companies accept any grants for educational programs or other projects from vendors or have a policy to guard against any potential conflict of interest relating to such donations?

3.1. Broadlane helps healthcare providers reduce cost and improve financial performance by providing a comprehensive set of services focused on contracting, purchasing, labor, data intelligence, clinical and pharmacy cost management, and capital equipment.

Contracting Services. As an adjunct to our GPO, Broadlane's Contracting Services offers custom contracting, regional contracting, environmentally-responsible contracting ,and diversity contracting. Broadlane's clients drive Broadlane's contracting process. Broadlane's client advisory committees and the Executive Steering Committee (each comprised entirely of Broadlane's clients) set the contract award criteria and award contracts based upon a supplier's ability to meet those criteria.

Procurement Services. Broadlane also offers an innovative approach to purchasing healthcare supplies and services. Broadlane Procurement Services provides the people, process, and technology to help healthcare providers implement consistent, enterprise-wide application of uniform policies, contracts, products, and pricing for a healthcare organization. For example, Broadlane's e-Procurement system is among the most advanced purchasing platforms in the industry. This cost-effective technology works as either a stand-alone solution, or it can integrate seamlessly into existing enterprise resource planning or materials management information systems.

⁴ Business concerns, organizations, or individuals are affiliates of each other if, directly or indirectly, (1) either one controls or has the power to control the other, or (2) a third party controls or has the power to control both. (See 48 CFR, Section 9.403 (2007): Securities Act, Sec. 16, 15 USC 77p(f))

Labor Services. Through Broadlane Workforce Management, Broadlane helps healthcare providers manage the quality and cost of temporary labor by working with labor staffing agencies to reduce total contract labor use, maintain adequate staffing levels, improve productivity, increase physician satisfaction, improve patient care, and reduce liability risks.

Information Services. Broadlane helps healthcare providers with access to critical, accurate supply spending data and actionable business intelligence to help providers better understand and optimize procurement spending. For example, Broadlane's Internet-based tools allow providers to connect with suppliers to make purchases, check contracts, and verify terms online, which helps reduce overpayment and invoice discrepancies.

Clinical Services. Broadlane helps healthcare providers improve utilization, lower costs, and reduce unnecessary use and variability by providing clinically-focused programs. The following is a listing of some of the available programs:

- Cardiovascular Program
- Custom Procedure Tray Utilization Program
- I.V. Supplies Analysis and Standardization Program
- Medication Use Management (MUM)
- Orthopedic Management Program
- Pharmacy Operations Assessment
- Procedure Optimization Program (POP)
- Reprocessing of Single-Use Devices
- Supply Chain Clinical Assessment
- Surgical Process Redesign Program
- Therapy Bed and Wound Care Program.

Pharmacy Services. Broadlane helps healthcare providers with drug cost containment, greater compliance with pharmacy regulatory standards, and improved patient safety.

Capital Equipment Services. Broadlane helps healthcare providers when considering the total cost of ownership of medical equipment — from planning, to acquisition, to ongoing management.

Links:

- Broadlane's Contracting Services at <http://www.broadlane.com/services/contracting.html>
- Broadlane's Procurement Services at <http://www.broadlane.com/services/purchasing.html>
- Broadlane's Labor Services at <http://www.broadlane.com/services/labor.html>
- Broadlane's Informational Services at <http://www.broadlane.com/services/information.html>
- Broadlane's Clinical Services at <http://www.broadlane.com/services/clinical.html>

- Broadlane’s Pharmacy Services at <http://www.broadlane.com/services/pharmacy.html>
- Broadlane’s Capital Equipment Services at http://www.broadlane.com/services/capital_equipment.html

3.2. Please see Broadlane’s response to Question 3.1.

Broadlane is currently majority-owned by private equity funds managed by TowerBrook Capital Partners, L.P., a New York- and London-based private equity firm (“TowerBrook”). TowerBrook’s portfolio companies may include companies in the healthcare industry from time to time. Broadlane does not currently have any agreements or arrangements with any of these companies. For more information, please see TowerBrook’s Web site at www.towerbrook.com. Broadlane may update these disclosures from time to time to reflect any change in these business lines.

3.3. In connection with certain legacy agreements, certain suppliers pay fees in connection with Broadlane’s technology offerings. These supplier payments constitute less than 0.5% of Broadlane’s revenue. Otherwise, Broadlane currently does not sell any other services to suppliers.

Broadlane is currently majority-owned by private equity funds managed by TowerBrook. TowerBrook’s portfolio companies may include companies in the healthcare industry from time to time. Among TowerBrook’s healthcare-related companies are:

- Archimica Cooperatief U.A., which manufactures Active Pharmaceutical Ingredients (“APIs”) and late stage intermediates for the pharmaceutical industry. An API is the active molecule in a drug, it is the component of the final pharmaceutical product that gives it its remedial properties.
- Sound Inpatient Physicians (f/k/a Excelsis Healthcare, Inc.), which is a leading hospitalist company currently providing inpatient physician services in hospitals throughout the United States.
- Spheris, which is a combination of the nation’s second and third largest medical transcription companies which delivers technology and services to more than 450 health systems, hospitals and group practices throughout the U.S. and Canada.

TowerBrook’s portfolio companies also include other companies that provide generalized business services that may be available to suppliers. For more information, please see TowerBrook’s Web site at www.towerbrook.com. Broadlane may update these disclosures from time to time to reflect any change in these business lines.

Links: Not applicable.

3.4. Broadlane’s Conflict of Interest Policies address all company activities (including other lines of business) that may compromise the independence of its group purchasing

activities. Please see Broadlane's response to Question 2 for additional information about these policies.

Broadlane is currently majority-owned by private equity funds managed by TowerBrook. TowerBrook's portfolio companies may include companies in the healthcare industry from time to time. Broadlane does not currently have any agreements or arrangements with any of these companies. Broadlane and TowerBrook will continue to monitor business relations and review internal procedures to monitor and reduce potential conflicts of interests among business lines. For more information, please see TowerBrook's Web site at www.towerbrook.com. Broadlane may update these disclosures from time to time to reflect any change in these business lines.

Links:

- Employee Standards of Business Conduct at <http://www.broadlane.com/ourcompany/files/Employee.pdf>
- Director Standards of Business Conduct at <http://www.broadlane.com/ourcompany/files/Director.pdf>
- Committee Member Standards of Business Conduct at <http://www.broadlane.com/ourcompany/files/Committee.pdf>
- Ethics and Compliance Program Handbook (pages 12-13, 15-16, 17-18) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

3.4.a. Yes. Broadlane does not own equity in any supplier or any potential supplier.

Links:

- Broadlane Policy Regarding Contracting Activities at <http://www.broadlane.com/ourcompany/files/Contracting.pdf>
- Ethics and Compliance Program Handbook (page 21) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

3.4.b. If Broadlane decides to engage in this type of activity in the future, then Broadlane has a Sponsorship Policy to guard against any potential conflict of interest relating to supplier participation in industry trade shows. To date, Broadlane does not accept any supplier fees relating to conference sponsorship or exhibit booth space.

Links: Not applicable.

3.4.c. If Broadlane decides to engage in this type of activity in the future, then Broadlane has a Sponsorship Policy to guard against any potential conflict of interest relating to educational grants or other projects from suppliers. To date, Broadlane does not accept any grants for educational program or other projects from suppliers.

Links: Not applicable.

4. Please describe the GPO's policies with regard to disclosing to members money or value received from vendors, whether in the form of administrative fees, marketing fees, partnership incentives, equity or any other form.

Please include in your answer:

- 4.1. Does the GPO make annual disclosures of administrative fees received from vendors for contracting activities with respect to the member's purchase of products and services?
- 4.2. Does the GPO disclose to members all payments other than administrative fees the GPO received from any vendor in the course of the GPO's group purchasing activities, whether from the purchasing activity of those members or not?
- 4.3. Does the GPO accept marketing fees?
- 4.4. Does the GPO accept partnership incentives?
- 4.5. Does the GPO accept equity?
- 4.6. Does the GPO accept upfront fees?
- 4.7. Does the GPO accept honoraria?
- 4.8. Please describe the GPO's policy with respect to administrative fees received on purchases made by an ineligible member (e.g., a policy regarding the return of such administrative fees to the applicable vendor.)

- 4.1. Yes. In accordance with the group purchasing organization safe harbor to the federal anti-kickback statute, Broadlane fully discloses in writing to each client (at least annually) the administrative fees received from each supplier for the purchases made by or on behalf of that client.

Links:

- Broadlane Policy Regarding Contracting Activities at <http://www.broadlane.com/ourcompany/files/Contracting.pdf>
- Ethics and Compliance Program Handbook (page 21) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

- 4.2. Yes. Broadlane also discloses to each client (at least annually) all other payments that Broadlane receives from any supplier in the course of Broadlane's group purchasing activities regardless of whether these supplier payments are related to the purchasing activity of the specific client.

Links:

- Broadlane Policy Regarding Contracting Activities at <http://www.broadlane.com/ourcompany/files/Contracting.pdf>
- Ethics and Compliance Program Handbook (page 21) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

- 4.3. No. Broadlane's Policy Regarding Contracting Activities prohibits Broadlane from accepting marketing fees from any supplier.

Links:

- Broadlane Policy Regarding Contracting Activities at <http://www.broadlane.com/ourcompany/files/Contracting.pdf>
- Ethics and Compliance Program Handbook (page 21) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

- 4.4. No. Broadlane does not accept any partnership incentives from any supplier.

Links: Not applicable.

- 4.5. No. Broadlane's Policy Regarding Contracting Activities prohibits Broadlane from accepting or owning any equity from any supplier.

Links:

- Broadlane Policy Regarding Contracting Activities at <http://www.broadlane.com/ourcompany/files/Contracting.pdf>
- Ethics and Compliance Program Handbook (page 21) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

- 4.6. No. Broadlane's Policy Regarding Contracting Activities prohibits Broadlane from accepting any upfront fees from any supplier.

Links:

- Broadlane Policy Regarding Contracting Activities at <http://www.broadlane.com/ourcompany/files/Contracting.pdf>
- Ethics and Compliance Program Handbook (page 21) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

- 4.7. No. Broadlane's Policy Regarding Contracting Activities prohibits Broadlane from accepting any honoraria from any supplier.

Links:

- Broadlane Policy Regarding Contracting Activities at <http://www.broadlane.com/ourcompany/files/Contracting.pdf>
- Ethics and Compliance Program Handbook (page 21) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

- 4.8. If Broadlane receives an administrative fee (a) on a purchase made by an expired or ineligible client, or (b) that does not correspond to an identified Broadlane client; then

Broadlane's Finance Policy requires that Broadlane must return that administrative fee to the applicable supplier, less a small standard processing fee.

Links: Not applicable.

5. Does the GPO disclose to each member all fees, in any form, paid to the member organization?

Please include in your answer:

- 5.1. Describe your disclosure practices.
- 5.2. Does the GPO pay fees to members upon the signing or re-signing or a participation agreement with the GPO or the joining or renewal of membership in the GPO?

5.1. At least annually, Broadlane fully discloses to each client all fees that Broadlane paid or remitted to that client. Broadlane's Policy Regarding Contracting Activities requires that Broadlane must remit to clients any rebates or discounts that Broadlane receives from suppliers. In addition, Broadlane's Finance Policy requires that Broadlane must return any rebates received (a) on purchases made by an expired or ineligible client, or (b) that do not correspond to an identified Broadlane client.

Links:

- Broadlane Policy Regarding Contracting Activities at <http://www.broadlane.com/ourcompany/files/Contracting.pdf>
- Ethics and Compliance Program Handbook (page 21) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

5.2. No. Broadlane does not pay fees to its clients for the signing or re-signing of a participation agreement or the joining or renewal of membership in its GPO program.

Links: Not applicable.

6. Please describe the GPO's publicly available description of its bid and award process which includes the following principles similar to those embodied in the Federal Competition in Contracting Act?

Please include in your answer:

- 6.1. Does the GPO have a publicly-available description of its bid and award process?
- 6.2. Is the description on a public website or sent to those who inquire, or provided in some other way?

- 6.1. Yes. Broadlane has a publicly-available description of its bid and award process that includes principles similar to those embodied in the Federal Competition in Contracting Act.

Broadlane also has a publicly-available Supplier Diversity Program designed to enable small, minority-, veteran-, and women-owned businesses to participate in Broadlane's contracting activities through an abbreviated contracting process. Except for niche products and services offered by qualified suppliers, Broadlane publicly posts every product or service category for which Broadlane expects to issue group purchasing RFPs. Any supplier qualified to participate in the Supplier Diversity Program may participate in the bid process for any of those product or service categories.

Links:

- Broadlane Policy Regarding Contracting Activities at <http://www.broadlane.com/ourcompany/files/Contracting.pdf>
- General Information for Prospective Suppliers at http://www.broadlane.com/can/can_2.html
- Ethics and Compliance Program Handbook (page 19-21) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

- 6.2. In accordance with its Policy Regarding Contracting Activities, Broadlane posts a link on its Web site to a bid calendar of upcoming product and service categories for which Broadlane expects to issue group purchasing Requests for Proposal (“RFPs”). Information about Broadlane's Supplier Diversity Program is also posted on Broadlane's Web site.

The calendar displays bid categories by discipline, category description, and the anticipated RFP issue date for each category. The link also provides a mechanism for an interested supplier to register itself in Broadlane's e-sourcing system, and to indicate the categories for which it wishes to participate in an RFP. In addition, Broadlane has a process for members of Broadlane's client advisory committees and Executive Steering Committee members (each composed exclusively of our clients) to identify any additional suppliers to ensure they are included in each category of the RFP process.

Broadlane's clients drive Broadlane's contracting process. Broadlane's client advisory committees and the Executive Steering Committee (each comprised entirely of Broadlane's clients) set the contract award criteria and award contracts based upon a supplier's ability to meet those criteria.

Links:

- Broadlane Policy Regarding Contracting Activities at <http://www.broadlane.com/ourcompany/files/Contracting.pdf>
- General Information for Prospective Suppliers at http://www.broadlane.com/can/can_2.html

- Broadlane's Prospective Supplier Form at http://www.broadlane.com/can/can_2_4.html
- Broadlane's Supplier Diversity Program at http://www.broadlane.com/can/can_2_5.html
- Broadlane's Bid calendar <http://www.broadlane.com/contactus/files/2008bidcategories.xls>
- Ethics and Compliance Program Handbook (page 21) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

6i. Please describe the GPO's requirements for how items or services to be purchased are generally identified and published so they are accessible to potential vendors.

Please include in your answer:

6i.1. Does the GPO publish to all vendors the decision criteria used to award potential contracts? Where is it available?

6i.1. Yes. Broadlane's client committees scrutinize summaries of each bidding supplier's response to the criteria set forth in the RFP in connection with making contract awards. The general decision criteria (posted on Broadlane's Web site) include:

- The ability to decrease Broadlane clients' purchase costs for the category.
- The ability to provide excellent client service and field support for Broadlane's client facilities.
- The ability to provide products that meet the specifications of the applicable client advisory committee (e.g., size and durability, a full line of replacement parts, etc.).
- The ability to provide a safe product.
- The ability to provide an environmentally-friendly product.
- Sound financial condition (e.g., recent financial reporting, and favorable financial rating from an independent third party).

Each RFP issued to interested suppliers also contains the list of key requirements that Broadlane's client advisory committees specified for the specific category. During negotiation of supplier proposals, Broadlane staff is available to all bidding suppliers to clarify any questions about the stated requirements.

Links:

- Broadlane Policy Regarding Contracting Activities at <http://www.broadlane.com/ourcompany/files/Contracting.pdf>
- General Information for Prospective Suppliers at http://www.broadlane.com/can/can_2.html
- Broadlane's Bid calendar <http://www.broadlane.com/contactus/files/2008bidcategories.xls>

- Broadlane's Prospective Supplier Form at http://www.broadlane.com/can/can_2_4.html
- Ethics and Compliance Program Handbook (page 19-21) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

6ii. Please describe the GPO's disclosure requirements regarding how vendors are to be identified as a responsible bidder.

Please include in your answer:

- 6ii.1. Does the GPO publish the general requirements to be considered a responsible bidder?
 6ii.2. Does the GPO publish specific requirements to be considered a responsible bidder in each specific contract category?

6ii.1. Yes. Broadlane publishes the general requirements to be considered a responsible bidder on Broadlane's Web site. Broadlane's Statement of Supplier Rights and Responsibilities (also posted on Broadlane's Web site) includes the following regarding a bidder's general requirements:

All known Broadlane Suppliers, and all prospective Suppliers who register through the link provided on Broadlane's Web site to Broadlane's e-sourcing platform at <http://www.broadlane.com/contactus/suppliers.html>, are eligible to compete for a contract award, unless one of the following circumstances exists: (1) the applicable Broadlane client advisory committee(s) determine that a Supplier's product does not meet appropriate clinical, safety and service requirements; (2) a Supplier is listed on the HHS Office of Inspector General Web site or the U.S. General Services Administration Web site as excluded from Federal procurement and non-procurement programs; or (3) the Supplier's response to the RFP fails to comply with the requirements of Broadlane's Ethics and Compliance Program or the terms of the RFP sent to the Supplier.

Links:

- Broadlane Policy Regarding Contracting Activities at <http://www.broadlane.com/ourcompany/files/Contracting.pdf>
- General Information for Prospective Suppliers at http://www.broadlane.com/can/can_2.html
- Broadlane's Prospective Supplier Form at http://www.broadlane.com/can/can_2_4.html
- Broadlane's Statement of Supplier Rights and Responsibilities <http://www.broadlane.com/ourcompany/files/SupplierGrievancePolicyandProcedure.pdf>

- Ethics and Compliance Program Handbook (page 21) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

6ii.2. Yes. All of the criteria listed on Broadlane’s Web site and throughout Broadlane’s contract template sent with each RFP disclose the requirements for being considered a responsible bidder for Broadlane contracts. Each RFP issued to interested suppliers also contains the list of key requirements that Broadlane’s client advisory committees specified for the specific category. The RFP also includes guidelines for conforming to Broadlane’s Policy Regarding Contracting Activities. Every participating supplier in a Broadlane group purchasing product category receives the same RFP documents and requirements. For Broadlane Workforce Management services, the distribution of the RFP may be limited based on criteria such as client-driven geographic limitations and other client preferences.

Links:

- Broadlane Policy Regarding Contracting Activities at <http://www.broadlane.com/ourcompany/files/Contracting.pdf>
- General Information for Prospective Suppliers at http://www.broadlane.com/can/can_2.html
- Ethics and Compliance Program Handbook (pages 19-21) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

6iii. Please describe the GPO’s policy with regard to whether all responsible vendors are eligible to compete and receive a contract award under the criteria.

Please include in your answer:

6iii.1. Are all responsible vendors eligible for every contract award, or are there specific requirements for each bid process to be considered for an award?

6iii.1. Broadlane’s client committees will determine how many bidders are awarded a contract in any given category, and not every responsible bidder may receive a contract award. In connection with making contract awards, client committees will evaluate whether a bidder met (a) the criteria to be an eligible bidder (as described in Broadlane’s response to Question 6ii.1), and (b) the client committees’ requirements for the applicable category (as described in Broadlane’s response to Question 6ii.2). During the negotiation of vendors’ proposals, Broadlane staff is available to all bidding vendors to clarify any questions about the stated requirements.

Links:

- Broadlane Policy Regarding Contracting Activities at <http://www.broadlane.com/ourcompany/files/Contracting.pdf>
- General Information for Prospective Suppliers at http://www.broadlane.com/can/can_2.html.

- Broadlane’s Prospective Supplier Form at http://www.broadlane.com/can/can_2_4.html.
- Ethics and Compliance Program Handbook (pages 19-21) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

6iv. Please describe how the criteria for selection of a vendor is identified and publicized to potential vendors, and followed.

Please include in your answer:

6iv.1. Are the criteria by which a winning vendor will be selected identified to all bidders?
 6iv.2. Does the GPO have a process to assure that the criteria are followed in the actual awards?

6iv.1. Yes. Broadlane clients’ general decision criteria for supplier selection are published on the Broadlane Web site, and client committees provide the detailed category-specific product, service, and business criteria that are published to bidding suppliers in the RFP. Broadlane’s client Executive Steering Committee (and the applicable client advisory committee) review detailed comparative summaries of supplier responses to the RFP after best and final offers are negotiated with each bidding supplier. The key factors in the client committee award decisions are the extent to which each supplier meets (a) the general supplier selection criteria; (b) the published RFP product, service, and business criteria; and (c) the estimated financial impact of each proposal.

Links:

- Broadlane Policy Regarding Contracting Activities at <http://www.broadlane.com/ourcompany/files/Contracting.pdf>
- General Information for Prospective Suppliers at http://www.broadlane.com/can/can_2.html
- Ethics and Compliance Program Handbook (pages 19-21) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

6iv.2. Yes. Broadlane documents its RFP and client award process by (a) maintaining client committee meeting minutes and voting records, and (b) maintaining materials reviewed by client committees prior to release of the RFP, as well as prior to contract award. This ensures that the criteria set forth in Broadlane’s RFP policies are followed when deciding contract awards. Broadlane also conducts an audit each year to ensure this policy is followed.

Links:

- Broadlane Policy Regarding Contracting Activities at <http://www.broadlane.com/ourcompany/files/Contracting.pdf>
- General Information for Prospective Suppliers at http://www.broadlane.com/can/can_2.html

- Ethics and Compliance Program Handbook (pages 19-21) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

6v. Please describe GPO’s practice with regard to having a fair and unbiased system for evaluating products and services considered for procurement.

Please include in your answer:

- 6v.1. Does the GPO have such a system?
 6v.2. Describe the process by which products and services are evaluated.

6v.1. Yes. To ensure a fair and unbiased evaluation of products and services considered for procurement, Broadlane’s contracting process is governed by client committees. Each major Broadlane contracting discipline has its own committee structure. The Broadlane committee structure provides a consistent and accountable mechanism that allows clients to make appropriate contracting decisions and ensure a fair and unbiased evaluation of products and services considered for procurement. As described in Broadlane’s response to Question 6iv, Broadlane’s client committees (comprised solely of Broadlane clients) conduct comprehensive objective evaluations of each supplier’s negotiated final offer.

Links:

- Broadlane Policy Regarding Contracting Activities at <http://www.broadlane.com/ourcompany/files/Contracting.pdf>
- General Information for Prospective Suppliers at http://www.broadlane.com/can/can_2.html
- Ethics and Compliance Program Handbook (pages 19-21) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

6v.2. If a Broadlane contracting initiative includes the potential for end users to change suppliers, then the applicable Broadlane client advisory committee may determine that a field evaluation of the product is necessary. Broadlane collects data at the direction of the applicable client advisory committee in a uniform fashion with controls for rater’s bias from interaction. Whenever possible, products are blinded as to the supplier source. The purpose of a product evaluation is to qualify suppliers for a potential contract award. An evaluation may be limited to product sample evaluation, involve detailed product evaluation, or incorporate actual patient use. Specifically, product evaluations are conducted to:

- Determine product safety, functional equivalence, and clinical acceptability of the supplier’s products.
- Validate the product’s performance against the clinical and service requirements established by the applicable client committees prior to the beginning of the product evaluation.

Links:

- Broadlane Policy Regarding Contracting Activities at <http://www.broadlane.com/ourcompany/files/Contracting.pdf>
- General Information for Prospective Suppliers at http://www.broadlane.com/can/can_2.html
- Ethics and Compliance Program Handbook (pages 19-21) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

6vi. Please describe how this practice includes a preference for competitive procurement.

Please include in your answer:

6vi.1. Describe your policies that support competitive procurement.

6vi.1. National Contracting Services. Broadlane’s bid and award process includes a preference for competitive procurement. The bid process is designed to generate competition among suppliers for the purpose of allowing Broadlane clients to purchase the medical products and services at the lowest price or best quality.

As described in Broadlane’s response to Question 6iii, all eligible Broadlane suppliers may compete for a contract award. In addition, each participating supplier receives the same RFP documents and requirements for the related product or service category, which will contain the list of the requirements that Broadlane’s client committees specified for the specific category. During the negotiation of supplier proposals, Broadlane staff is available to all bidding suppliers to clarify any questions about the stated requirements.

Broadlane does not post bids for products available from only one niche supplier (e.g., branded pharmaceuticals). Instead, Broadlane (at the direction of its client committees) negotiates directly with the applicable supplier for those products. In addition, Broadlane clients are not prohibited from purchasing non-contracted products directly from any supplier.

Regional Contracting Services. Broadlane offers a regional contracting service similar to its national contracting service. Broadlane’s regional contracting processes are similar to its national contracting processes – regional client committees set all contract award criteria and make all contract award decisions.

Custom Contracting Services. Upon a client’s request, Broadlane also performs custom contracting services that are specifically tailored for an individual client who directs Broadlane to pursue specific contracting strategies unique to its individual needs. The competitive procurement process is determined by the requirements of the specific client. Any contracting decision requires the approval of the individual client.

Supplier Diversity Program. As described in Broadlane’s response to Question 6 and Question 9, Broadlane has a Supplier Diversity Program through which small, minority-, veteran-, and women-owned businesses are encouraged to participate in Broadlane’s contracting activities in all product and service categories.

Links:

- Broadlane Policy Regarding Contracting Activities at <http://www.broadlane.com/ourcompany/files/Contracting.pdf>
- General Information for Prospective Suppliers at http://www.broadlane.com/can/can_2.html
- Broadlane’s Prospective Supplier Form at http://www.broadlane.com/can/can_2_4.html
- Broadlane’s Supplier Diversity Program at http://www.broadlane.com/can/can_2_5.html
- Ethics and Compliance Program Handbook (pages 19-21) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

6vii. Please describe the GPO’s policy with regard to the appropriate use of single, sole, dual, and multi-source procurement.

Please include in your answer:

6vii.1. Does the GPO have a policy for sole, dual and multi-source procurement?
6vii.2. When will sole and dual source procurement be used?
6vii.3. Describe the GPO’s process for awarding contracts including contracts awarded to a single vendor where there is no exclusivity provision in the contract.

Sole and dual source contracts are contracts that contain exclusivity language that prevents the GPO from entering into a contract with more than one or two vendors.

6vii.1. Yes. Broadlane’s Policy Regarding Contracting Activities only allows Broadlane’s client committees to approve sole- or dual-source contracts that contain clinical preference products upon a determination that a sole- or dual-source arrangement provides additional benefits to clients and does not adversely affect safety or patient care.

The Broadlane Policy Regarding Contracting Activities broadly defines “clinical preference product” as any item for which Broadlane contracts about which a physician, nurse or other clinician could reasonably be expected to express a medical-based preference or which could reasonably be expected to affect patient health or safety or worker health or safety. Because of the scope of this definition, Broadlane subjects all product categories to the same rigorous process in connection with awarding contract with (a) a commitment-based discount tier exceeding 80%, (b) a term longer than three years, or (c) a restriction prohibiting Broadlane from entering into contracts with competing suppliers.

In addition, each executed agreement (or an amendment to an agreement) in Broadlane's national contracting portfolio must include a written certification to the Compliance Officer from the responsible contract negotiator that the contract (or amendment) complies with the Broadlane Policy Regarding Contracting Activities. If the contract (or amendment) contains any exception to the Broadlane Policy Regarding Contracting Activities, then the contract negotiator must provide the Compliance Officer with written documentation of client committee approval of the specific exception in connection with the agreement's execution. The Broadlane Legal Department administers this process.

Links:

- Broadlane Policy Regarding Contracting Activities at <http://www.broadlane.com/ourcompany/files/Contracting.pdf>
- Ethics and Compliance Program Handbook (pages 19-21) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

6vii.2. Sole- and dual-source contracts are only entered into upon a determination that a sole- or dual-source arrangement provides additional benefits to clients and does not adversely affect safety or patient care. The Executive Steering Committee (comprised entirely of Broadlane clients) makes this determination in connection with awards for Broadlane's national contract portfolio. The applicable client will make this determination in connection with a custom contract award. The Executive Steering Committee and the applicable client (in connection with a custom contract) will also determine: (a) if Broadlane issues an RFP or (b) engages in sole, dual, or multi-source procurement strategy. When available, Broadlane provides a report obtained from an independent, third-party financial institution whenever a relevant client committee considers a sole- or dual-source award. This report provides insight into the financial health of the applicable suppliers so that Broadlane may ensure that its clients enjoy an uninterrupted level of service from the awarded supplier. Broadlane clients are not prohibited from purchasing non-contracted products directly from the applicable suppliers in connection with any sole-, dual-, or multi-source agreement.

Links:

- Broadlane Policy Regarding Contracting Activities at <http://www.broadlane.com/ourcompany/files/Contracting.pdf>
- Ethics and Compliance Program Handbook (pages 19-21) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

6vii.3. Broadlane's clients drive Broadlane's contracting process. As described in Broadlane's response to Question 6iii.1, Broadlane's client advisory committees and the Executive Steering Committee (each comprised entirely of Broadlane's clients) set the contract award criteria and award contracts based upon a supplier's ability to meet those criteria.

Links:

- Broadlane Policy Regarding Contracting Activities at <http://www.broadlane.com/ourcompany/files/Contracting.pdf>
- Ethics and Compliance Program Handbook (pages 19-20) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

6viii. Please describe the GPO's process for ensuring that administrative fees do not encroach upon the best interests of the member organizations.

Please include in your answer:

- 6viii.1. What is the GPO's practice regarding the amount of administrative fees accepted?
- 6viii.2. Under what conditions does the GPO accept administrative fees beyond 3 percent, requiring specific (not blanket) disclosure under the Safe Harbor provisions?
- 6viii.3. Please describe the range of administrative fees accepted.
- 6viii.4. Does the GPO accept other kinds of fees from vendors, such as marketing fees, equity, signing bonuses, and upfront fees? Please describe these other fees and how prevalent they are.
- 6viii.5. Does the GPO impose a minimum fee requirement for suppliers, and if so, under what circumstances?

6viii.1. Broadlane's Policy Regarding Contracting Activities caps the amount of administrative fees that Broadlane may receive from a supplier at 3%. This policy fully complies with the GPO safe harbor to the federal anti-kickback statute. Broadlane has no agreements with administrative fees in excess of 3%.

Also, Broadlane's clients (through client advisory committees) make all group purchasing award decisions, which ensures that Broadlane's interests do not encroach upon the best interests of its clients. In addition, the Broadlane Policy Regarding Contracting Activities requires that administrative fees be standardized for each bid process and product or service category and stated in advance to all bidders in that category, unless market conditions necessitate a different structure in order to best serve our clients. If a bidder responds with a higher administrative fee, then Broadlane's client committees do not accept this response and require that the applicable bidder lower its administrative fee to the standardized administrative fee.

Links:

- Broadlane Policy Regarding Contracting Activities at <http://www.broadlane.com/ourcompany/files/Contracting.pdf>
- Ethics and Compliance Program Handbook (page 21) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

6viii.2. Broadlane does not accept administrative fees beyond 3% from a vendor.

Links:

- Broadlane Policy Regarding Contracting Activities at <http://www.broadlane.com/ourcompany/files/Contracting.pdf>
- Ethics and Compliance Program Handbook (page 21) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

6viii.3. Broadlane's administrative fees are all at or less than 3%.

Links:

- Broadlane Policy Regarding Contracting Activities at <http://www.broadlane.com/ourcompany/files/Contracting.pdf>
- Ethics and Compliance Program Handbook (page 21) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

6viii.4. No. Broadlane's Policy Regarding Contracting Activities prohibits Broadlane from: (a) offering private label products to clients; and (b) accepting equity, signing bonuses, marketing fees, upfront fees, or honoraria from any vendor.

Links:

- Broadlane Policy Regarding Contracting Activities at <http://www.broadlane.com/ourcompany/files/Contracting.pdf>
- Ethics and Compliance Program Handbook (page 21) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

6viii.5. Broadlane's Executive Steering Committee (comprised entirely of Broadlane clients) in connection with Broadlane's national contract portfolio or a single client (in the case of custom contracting) sets the administrative fee required for a particular contract category, and the administrative fee is a business term considered by the Executive Steering Committee (or the applicable individual client) in making its contract award determination. Broadlane's administrative fees are all at or less than 3%.

Links: Not applicable

6ix. Please describe the GPO's policy to ensure the appropriate use of bundling products and the length of contracts for clinical preference products.

Please include in your answer:

6ix.1. Describe the GPO's policy guiding the use of bundling.

6ix.2. Does the GPO permit bundling of unrelated products or services from the same vendor? When?

- 6ix.3. Does the GPO permit bundling of unrelated products or services from different vendors? When?
- 6ix.4. Describe the GPO's policy guiding the appropriate length of contracts for clinical preference products.

6ix.1. Broadlane's policies and procedures guide the appropriate bundling of products and the length of contracts for clinical preference products. Broadlane's Policy Regarding Contracting Activities provides that Broadlane must not: (a) group unrelated products for increased discounts, or (b) bundle unrelated products from different suppliers.

Links:

- Broadlane Policy Regarding Contracting Activities at <http://www.broadlane.com/ourcompany/files/Contracting.pdf>
- Ethics and Compliance Program Handbook (page 20) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

6ix.2. No. Broadlane Policy Regarding Contracting Activities prohibits Broadlane from bundling unrelated products from the same supplier. In limited situations, Broadlane does group related products for increased discounts from the same supplier, but only to the extent that it will (a) not interfere with RFP competition, and (b) permit more specialized suppliers to participate. For example, Broadlane reviews product categories as they are re-bid to ensure that Broadlane contracts do not bundle equipment, products, or services in such a way as to exclude small suppliers from contract awards. Broadlane's group purchasing categories are not defined by what the largest suppliers offer in their "product line." Excluding pharmaceuticals, contracts are bid and awarded by category (not by supplier) even though this may result in Broadlane entering into several separate contracts with large, diversified suppliers.

Links:

- Broadlane Policy Regarding Contracting Activities at <http://www.broadlane.com/ourcompany/files/Contracting.pdf>
- Ethics and Compliance Program Handbook (page 20) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

6ix.3. No. Broadlane's Policy Regarding Contracting Activities prohibits Broadlane from bundling unrelated products from different suppliers.

Links:

- Broadlane Policy Regarding Contracting Activities at <http://www.broadlane.com/ourcompany/files/Contracting.pdf>
- Ethics and Compliance Program Handbook (page 20) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

6ix.4. The Broadlane Policy Regarding Contracting Activities provides that no contract for a clinical preference item may have a term longer than three years unless the relevant clinical committee determines that (a) a longer term will provide incremental benefits to clients, and (b) the longer term will not adversely affect safety or patient care.

Links:

- Broadlane Policy Regarding Contracting Activities at <http://www.broadlane.com/ourcompany/files/Contracting.pdf>
- Ethics and Compliance Program Handbook (page 20) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

6x. Please describe whether the GPO has a private label program for medical products.

Please include in your answer:

- 6x.1. Describe the medical products the private label program covers.
6x.2. Describe the GPO's practice regarding the fees derived from this private label program?
6x.3. Please describe the range of private label fees accepted.
6x.4. Describe any internal policies that address the private labeling of medical products.

6x.1. Not applicable. Broadlane does not private label any medical product. The Broadlane Policy Regarding Contracting Activities prohibits Broadlane from private labeling medical products.

Links:

- Broadlane Policy Regarding Contracting Activities at <http://www.broadlane.com/ourcompany/files/Contracting.pdf>
- Ethics and Compliance Program Handbook (page 21) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

6x.2. Not applicable. Broadlane does not private label any medical product. The Broadlane Policy Regarding Contracting Activities prohibits Broadlane from private labeling medical products.

Links:

- Broadlane Policy Regarding Contracting Activities at <http://www.broadlane.com/ourcompany/files/Contracting.pdf>
- Ethics and Compliance Program Handbook (page 21) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

6x.3. Not applicable. Broadlane does not private label any medical product. The Broadlane Policy Regarding Contracting Activities prohibits Broadlane from private labeling medical products.

Links:

- Broadlane Policy Regarding Contracting Activities at <http://www.broadlane.com/ourcompany/files/Contracting.pdf>
- Ethics and Compliance Program Handbook (page 21) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

6x.4. Not applicable. The Broadlane Policy Regarding Contracting Activities prohibits Broadlane from private labeling medical product.

Links:

- Broadlane Policy Regarding Contracting Activities at <http://www.broadlane.com/ourcompany/files/Contracting.pdf>
- Ethics and Compliance Program Handbook (page 21) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

7. Please describe the GPO's publicly available policy and procedure that addresses vendor rights, including a procedure for vendor grievances.

Please include in your answer:

- 7.1. Please describe the GPO's policy and procedure related to vendor rights and where is it available.
- 7.2. How does the GPO address vendor grievances?
- 7.3. Please describe in general the grievance process.

7.1. Broadlane has an equitable supplier policy and procedure to protect supplier rights and ensure equitable treatment of all suppliers. For example, a supplier can expect that no Broadlane employee will use his/her purchasing authority for personal gain and that all suppliers will be treated professionally, ethically, and with integrity, honesty and good faith during the bidding process and during any subsequent contract negotiation.

Broadlane also posts publicly and regularly updates a list of all categories for which Broadlane expects to contract for products available from more than one supplier (as determined by the relevant client committee). Broadlane also allows any qualified supplier to bid on upcoming contract awards. In addition, whenever Broadlane solicits a bid it also sends a copy of the Ethics and Compliance Program to the relevant suppliers. Broadlane also encourages the participation of small, minority-, veteran- and women-owned businesses.

Broadlane's policy is set forth in its Policy Regarding Contracting Activities and Broadlane's Statement of Supplier Rights and Responsibilities. These documents are posted on Broadlane's Web site.

Links:

- Broadlane Policy Regarding Contracting Activities at <http://www.broadlane.com/ourcompany/files/Contracting.pdf>
- General Information for Prospective Suppliers at http://www.broadlane.com/can/can_2.html
- Broadlane's Bid calendar <http://www.broadlane.com/contactus/files/2008bidcategories.xls>.
- Broadlane's Prospective Supplier Form at http://www.broadlane.com/can/can_2_4.html
- Broadlane's Statement of Supplier Rights and Responsibilities <http://www.broadlane.com/ourcompany/files/SupplierGrievancePolicyandProcedure.pdf>
- Ethics and Compliance Program Handbook (pages 12-14, 17-21) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

7.2. Broadlane has a supplier grievance policy that is part of the Broadlane's Statement of Supplier Rights and Responsibilities. Broadlane's supplier grievance policy includes a detailed investigatory procedure to ensure all compliance issues and grievances are handled appropriately.

Links:

- Broadlane's Statement of Supplier Rights and Responsibilities at <http://www.broadlane.com/ourcompany/files/SupplierGrievancePolicyandProcedure.pdf>

7.3. Broadlane encourages any supplier to send all grievances via email to Broadlane's Compliance Officer. If a supplier wishes to remain anonymous, the supplier can also use Broadlane's Ethics Action Line (the "EAL") at 866.45.ETHIC or 866.453.8442 to report any perceived violation of Broadlane's Ethics and Compliance Program or other grievances. A special pin number will be provided to the supplier to anonymously check the status of its inquiry. The supplier also can use this pin number to provide additional information about its inquiry.

Upon receipt of any grievance submitted by email, Broadlane will respond immediately by email to acknowledge receipt of the grievance and provide the supplier with a response timeframe. Broadlane's Compliance Officer is responsible for keeping a log that will track and document all grievances and potential violations of Broadlane's Ethics and Compliance Program. The Compliance Officer works with appropriate Broadlane staff in reviewing any grievance. Depending upon the nature of the report or issues that may arise from the review, the Compliance Officer may refer the matter directly to the Governance and Ethics Committee of Broadlane's Board of Directors for further action. In general, Broadlane responds within 30 calendar days of Broadlane's receipt of the Supplier's grievance email stating the outcome of the review and final decision.

Links:

- Broadlane's Statement of Supplier Rights and Responsibilities
<http://www.broadlane.com/ourcompany/files/SupplierGrievancePolicyandProcedure.pdf>

8. Please describe the GPO's policy and process to evaluate and provide opportunities to contract for innovative clinical products and services.

Please include in your answer:

- 8.1. Does the GPO have a process for evaluating innovative technologies? Please describe the process in general.
- 8.2. Does the GPO have the right to write a new contract at any time for innovative technology? Describe.
- 8.3. How does the GPO ensure innovative technology provisions exist in vendor contracts?
- 8.4. Are GPO members allowed to evaluate products from vendors, regardless of whether such vendor has a contract with the GPO?
- 8.5. Are GPO members allowed to communicate with all vendors, regardless of whether the vendor has a contract with the GPO?
- 8.6. Are GPO members allowed to purchase non-contracted products of clinical preference products or services directly from vendors?

- 8.1.** Yes. Broadlane has a process to evaluate and provide opportunities to contract for innovative technologies. Monitoring emerging and innovative technologies is a key function of Broadlane's client committees and task forces. In addition, Broadlane's Policy Regarding Contracting Activities requires Broadlane's contracting professionals to stay abreast of breakthrough technology. At monthly conference calls or meetings, Broadlane's Executive Steering Committee and client advisory committees (each composed entirely of clients) discuss opportunities to contract for innovative products and services.

As described in Broadlane's response to Question 6v.2, if a Broadlane contracting initiative includes the potential for end users to change suppliers, then the applicable client advisory committee may determine that a field evaluation of the product is necessary. The purpose of a product evaluation is to qualify suppliers for a potential contract award. This qualification process creates a highly competitive environment through which Broadlane's clients can obtain cutting edge technology at the best prices.

Links:

- Broadlane Policy Regarding Contracting Activities at
<http://www.broadlane.com/ourcompany/files/Contracting.pdf>
- Ethics and Compliance Program Handbook (page 15, 19-21) at
<http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

- 8.2. Yes. The Broadlane Policy Regarding Contracting Activities requires Broadlane contracts to not restrict clients from purchasing innovative technologies. While in the drafting process, Broadlane's employees analyze every contract to ensure compliance with Broadlane's policies. As discussed in Broadlane's response to Question 6.vii.1, each executed agreement (or an amendment to an agreement) in Broadlane's national contracting portfolio must include a written certification to the Compliance Officer from the responsible contract negotiator that the contract (or amendment) complies with the Broadlane Policy Regarding Contracting Activities.

Links:

- Broadlane Policy Regarding Contracting Activities at <http://www.broadlane.com/ourcompany/files/Contracting.pdf>
- Ethics and Compliance Program Handbook (page 21) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

- 8.3. Broadlane's standardized group purchasing supplier contract templates include a provision that Broadlane will not be restricted from contracting for breakthrough technology on behalf of its clients. As discussed in Broadlane's response to Question 8.2, Broadlane's employees analyze every contract to ensure compliance with Broadlane's policies. Each executed agreement (or an amendment to an agreement) in Broadlane's national contracting portfolio must include a written certification to the Compliance Officer from the responsible contract negotiator that the contract (or amendment) complies with the Broadlane Policy Regarding Contracting Activities.

Links:

- Broadlane Policy Regarding Contracting Activities at <http://www.broadlane.com/ourcompany/files/Contracting.pdf>
- Ethics and Compliance Program Handbook (page 21) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

- 8.4. Yes. Broadlane's clients are allowed to evaluate products from any supplier, regardless of whether that supplier has a contract with Broadlane. The Broadlane Policy Regarding Contracting Activities encourage suppliers to communicate directly with Broadlane's clients. This policy also states clients will not be prohibited from buying non-contracted products directly from any supplier.

Links:

- Broadlane Policy Regarding Contracting Activities at <http://www.broadlane.com/ourcompany/files/Contracting.pdf>
- Ethics and Compliance Program Handbook (page 21) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

- 8.5. Yes. Broadlane’s clients are allowed to communicate with any supplier regardless of whether that supplier has a contract with Broadlane. The Broadlane Policy Regarding Contracting Activities encourage suppliers to communicate directly with Broadlane’s clients.

Links:

- Broadlane Policy Regarding Contracting Activities at <http://www.broadlane.com/ourcompany/files/Contracting.pdf>
- Ethics and Compliance Program Handbook (page 21) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

- 8.6. Yes. The Broadlane Policy Regarding Contracting Activities requires that our clients not be prohibited from buying non-contracted products directly from any supplier.

Links:

- Broadlane Policy Regarding Contracting Activities at <http://www.broadlane.com/ourcompany/files/Contracting.pdf>
- Ethics and Compliance Program Handbook (page 19-21) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

9. **Please describe the GPO’s program or activities that encourage contracting with small, women-owned and minority businesses.**

Please include in your answer:

- 9.1. Please describe the program or activities and indicate specifically which types of businesses are included in the program
- 9.2. Please provide current statistics reflecting the percentage by dollar value and number of contract awards to support the program.

- 9.1. Broadlane’s Supplier Diversity Program is designed to proactively seek and invite historically underutilized businesses to participate in Broadlane’s contracting activities in all product and service categories. Broadlane recognizes minority-, veteran-, women-owned, and small businesses for consideration as contracted diversity suppliers. Certification as a diversity supplier is one of the consideration criteria specified by Broadlane’s clients when assessing prospective diversity suppliers for a potential contract award. Broadlane has two dedicated resources to facilitate the program objectives, coordinate with prospective historically underutilized businesses to identify contracting opportunities, determine appropriate contracting strategies, and verify certification. These resources also assist Broadlane clients with promoting their diversity purchasing goals and measuring achievement of their goals by utilizing Broadlane diversity contracts.

As described in Broadlane's response to Question 6.2, Broadlane's automated prospective supplier self-registration system allows suppliers to select categories of interest and capability from the Broadlane bid calendar. Each prospective supplier responds to a list of required questions that allows the supplier to distinguish itself as a historically underutilized business (if applicable). Suppliers registering as a historically underutilized business must submit a copy of specific certification from a recognized national, local, or individual state agency at the time of registration.

Prior to initiating an RFP process, (a) all registered diversity vendors are made visible to the Broadlane contract negotiator for inclusion in the RFP for the relevant product category, (b) if no suppliers have registered for a particular product or service category, external databases are searched to identify additional diversity suppliers; and (c) client advisory committee members are requested to advise if other suppliers should be contacted to determine their interest in receiving an RFP.

Diversity suppliers that choose not to compete in the national bid may be considered for inclusion in the diversity portfolio. Broadlane's dedicated resources perform due diligence to determine if a non-exclusive contract may be added to the GPO portfolio. Contracts with diversity suppliers of products or services are routinely presented to various client committees. Broadlane also hosts a Diversity Advisory Council comprised of client representatives to provide feedback and represent the client on supplier diversity matters.

Broadlane is a member of the National Minority Supplier Development Council (NMSDC) and Women Business Enterprise National Council (WBENC). A Broadlane executive chairs the HGPII Supplier Diversity Committee in addition to separate membership representation.

Links:

- Broadlane Policy Regarding Contracting Activities at <http://www.broadlane.com/ourcompany/files/Contracting.pdf>
- Broadlane's Supplier Diversity Program at http://www.broadlane.com/can/can_2_5.html
- Broadlane's Bid calendar <http://www.broadlane.com/contactus/files/2008bidcategories.xls>
- General Information for Prospective Suppliers at http://www.broadlane.com/can/can_2.html
- Broadlane's Prospective Supplier Form at http://www.broadlane.com/can/can_2_4.html
- Ethics and Compliance Program Handbook (pages 7, 21) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

9.2. As of July 2008, Broadlane has 370 contracts with diversity suppliers representing \$150 million in annual dollar volume. The diversity portfolio includes 143 agreements with

minority-, veteran-, and women-owned businesses, and 227 contracts with small businesses.

Links: Not applicable.

10. Please describe whether and in what manner the GPO distributes its written code of business ethics and conduct to all applicable employees, agents, contractors, clinical advisory committees, and others involved in group purchasing activity.

Please include in your answer:

- 10.1. Does the GPO distribute the code of conduct to all employees? By what manner is the code provided to employees? How often?
- 10.2. Where can the code be found electronically?
- 10.3. Does the GPO distribute its code of conduct to all members of clinical advisory committees? How often?
- 10.4. Does the GPO distribute the code to all of the board of directors? How often?
- 10.5. Does the GPO distribute its code of conduct to all agents and contractors that participate in the GPO activity? How often?
- 10.6. Does the GPO distribute its code to vendors and others with whom it does business?

10.1. Yes. Broadlane informs all employees on their first day of employment during employee orientation about the Ethics and Compliance Program. At that time, each employee is provided a copy of the Ethics and Compliance Program. In addition, all employees are required to certify (at the time of their initial conflicts of interest disclosure and annually thereafter) that they have carefully read the Ethics and Compliance Program and that they are in compliance with the Program.

Links:

- Ethics and Compliance Program Overview at http://www.broadlane.com/com/com_7_4.html
- Employee Standards of Business Conduct at <http://www.broadlane.com/ourcompany/files/Employee.pdf>
- Ethics and Compliance Program Handbook (pages 8-9) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

10.2. The public can view Broadlane's Ethics and Compliance Program at the following Web link:
<http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>. Employees can also view the code electronically on Broadlane's intranet Web site.

Links:

- Ethics and Compliance Program Overview at http://www.broadlane.com/com/com_7_4.html.

- Ethics and Compliance Program Handbook (pages 8-10) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

10.3. Yes. Broadlane distributes its Ethics and Compliance Program to all client committee members, and they must certify (at the time of receipt and annually thereafter) adherence to the Standards of Business Conduct and the Broadlane Policy Regarding Contracting Activities.

Links:

- Ethics and Compliance Program Overview at http://www.broadlane.com/com/com_7_4.html
- Committee Member Standards of Business Conduct at <http://www.broadlane.com/ourcompany/files/Committee.pdf>
- Ethics and Compliance Program Handbook (pages 9, 17-18) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

10.4. Yes. Broadlane distributes its Ethics and Compliance Program to all directors, and they must certify (at the time of receipt and annually thereafter) adherence to the Standards of Business Conduct and the Broadlane Policy Regarding Contracting Activities.

Links:

- Ethics and Compliance Program Overview at http://www.broadlane.com/com/com_7_4.html
- Director Standards of Business Conduct at <http://www.broadlane.com/ourcompany/files/Director.pdf>
- Ethics and Compliance Program Handbook (pages 9, 15-16) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

10.5. Yes. Broadlane attaches a copy of the Ethics and Compliance Program to any written agreement with any of its group purchasing agents. In connection with its written agreement with a group purchasing agent, Broadlane requires the agent to represent and warrant that (a) it is familiar with the Ethics and Compliance Program, and (b) (when performing services on Broadlane's behalf) the agent will at all times comply with (and ensure that each of its staff complies with) the applicable provisions of the Ethics and Compliance Program to the same extent those policies apply to Broadlane employees.

Links: Not applicable.

10.6. Yes. Broadlane references its Ethics and Compliance Program in its supplier agreements.

Links:

- Ethics and Compliance Program Overview at http://www.broadlane.com/com/com_7_4.html

- Ethics and Compliance Program Handbook (page 10) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

11. Please describe how new employees involved in group purchasing are provided an orientation to the written code of business ethics and conduct.

Please include in your answer:

- 11.1. Do all new employees involved in group purchasing get a copy of the code during their orientation?
- 11.2. Do all new employees get some type of orientation to or discussion of the code? Please describe the orientation.

11.1. Yes. As discussed in Broadlane’s response to Question 10.1, all Broadlane employees must attend orientation training on the Ethics and Compliance Program on their first day of employment with Broadlane. At that time, each employee is provided a copy of the Ethics and Compliance Program. In addition, all employees are required to certify (at the time of their initial conflict of interest disclosure and annually thereafter) that they have carefully read the Ethics and Compliance Program and that they are in compliance with the Program.

Links:

- Ethics and Compliance Program Overview at http://www.broadlane.com/com/com_7_4.html
- Employee Standards of Business Conduct at <http://www.broadlane.com/ourcompany/files/Employee.pdf>
- Ethics and Compliance Program Handbook (pages 8-9) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

11.2. Yes. The purpose of the initial training on the first day of employment is to familiarize all employees with the purpose of the Ethics and Compliance Program and emphasize how it can assist them in the workplace. Shortly thereafter, each employee undergoes a more detailed training session that emphasizes the major points of the Standards of Business Conduct and the Broadlane Policy Regarding Contracting Activities. All new employees also receive legal compliance training, which includes an overview of legal compliance issues. Broadlane also provides additional compliance training sessions to applicable employees on relevant topics (including HIPAA, information security, and sexual harassment) and provides additional compliance training to specific departments as necessary.

Links:

- Ethics and Compliance Program Overview at http://www.broadlane.com/com/com_7_4.html

- Employee Standards of Business Conduct at <http://www.broadlane.com/ourcompany/files/Employee.pdf>
- Ethics and Compliance Program Handbook (page 8) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

12. Please describe the nature and content of the GPO's annual employee refresher training on the written code of business ethics and conduct.

Please include in your answer:

- 12.1. Which employees receive annual refresher training?
 12.2. Please describe the content of the training and the method of delivery.

12.1. All Broadlane employees must attend mandatory refresher training annually as part of the Ethics and Compliance Program. In 2008, each employee will receive at least one hour of interactive refresher training on ethics and compliance topics. Training attendance was verified by three methods: (a) a computer registration tracking system, (b) attendance sign-in sheets, and (c) an evaluation form employees are required to turn in at the end of the training session.

In addition, Broadlane's national contracting client committee members and the Board of Directors receive ethics and compliance training on an annual basis. Broadlane solicits feedback from employees, client committee members, and directors on the training each year to ensure that the ethics and compliance training is effective.

Links:

- Ethics and Compliance Program Overview at http://www.broadlane.com/com/com_7_4.html
- Ethics and Compliance Program Handbook (pages 8-9) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

12.2. Interactive in-person and on-line refresher ethics and compliance training sessions are offered several times a year. The refresher training sessions (a) update employees, client committee members, and the Board of Directors on any recent changes in the Ethics and Compliance Program, and (b) inform them of current industry issues that are of concern from an ethics and compliance standpoint. Past topics have focused on areas such as Broadlane's Gift Limitation Policy and discrimination policy, protecting confidential information, insider trading, duty to report the misconduct of others, antitrust, and the federal anti-kickback statute.

Links:

- Ethics and Compliance Program Overview at http://www.broadlane.com/com/com_7_4.html

- Ethics and Compliance Program Handbook (pages 8-9) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

13. Please describe the mechanism (e.g., a corporate review board, ombudsman, corporate compliance or ethics officer) for employees to report possible violations of the written code of business ethics and conduct to someone other than one's direct supervisor, if necessary.

Please include in your answer:

- 13.1. Does the GPO have a mechanism for employees to report possible violations of the code to someone other than the direct supervisor? Please describe the mechanism.
- 13.2. What process is used to protect the confidentiality of the reporting employee's identity?
- 13.3. What safeguards are in place to mitigate the opportunities for retaliation?

13.1. Yes. Broadlane encourages employees to confidentially report in good faith violations of the Ethics and Compliance Program to their manager, their manager's supervisor, the Compliance Officer, or the EAL at 866.45.ETHIC or 866.453.8442. The EAL is a toll-free telephone line managed by an independent third party, which is available to all Broadlane employees (or others) who desire to report issues of possible ethical misconduct or seek advice and counsel about the application or interpretation of Broadlane policies, procedures, or rules. The hotline is available 24 hours a day, seven days a week. Calls received are prioritized and forwarded to the Compliance Officer for review and investigation.

The EAL number is listed prominently on our intranet Web site and Broadlane provides magnets and post-it pads with this number to employee.

Links:

- Ethics and Compliance Program Overview at http://www.broadlane.com/com/com_7_4.html
- Employee Standards of Business Conduct at <http://www.broadlane.com/ourcompany/files/Employee.pdf>
- Ethics and Compliance Program Handbook (pages 6, 8-9, 14, 16, 18, 22) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

13.2. The EAL allows callers to remain anonymous, and the issues discussed are handled in a confidential manner. A special pin number will be provided to the employee to anonymously check the status of the inquiry. The employee also can use this pin number to provide additional information about the inquiry. In either of the above situations, the employee would provide the unique pin number to the EAL respondent who in turn would provide any applicable update and remain anonymous.

Broadlane also has a policy that strictly prohibits retaliation against any employee who seeks advice, raises a concern, or reports misconduct in good faith. The Compliance Officer receives, reviews, and investigates all compliance inquiries (including those received through the EAL). If the Compliance Officer determines that any violation of the Ethics and Compliance Program has occurred, then the Compliance Officer reports the violation and subsequent disciplinary action to the Governance and Ethics Committee of the Board of Directors.

Links:

- Ethics and Compliance Program Overview at http://www.broadlane.com/com/com_7_4.html
- Employee Standards of Business Conduct at <http://www.broadlane.com/ourcompany/files/Employee.pdf>
- Ethics and Compliance Program Handbook (pages 6, 8-9, 14, 16, 18, 22) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

13.3. As discussed in Broadlane’s response to Question 13.2, Broadlane strictly prohibits retaliation against any employee who seeks advice, raises a concern, or reports misconduct in good faith. Broadlane views all employees as a critical component to maintaining an effective Ethics and Compliance Program. Broadlane has an open-door policy to foster dialogue between employees and management. Broadlane encourages employees to raise concerns and ask questions about any issue (including compliance and ethics). This policy is emphasized during new employee orientation and in subsequent annual ethics refresher training sessions.

Links:

- Introduction at http://www.broadlane.com/com/com_7_4_2.html
- Ethics and Compliance Program Overview at http://www.broadlane.com/com/com_7_4.html
- Employee Standards of Business Conduct at <http://www.broadlane.com/ourcompany/files/Employee.pdf>
- Ethics and Compliance Program Handbook (page 6, 8-9, 11-14) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

14. Please describe the mechanism the GPO utilizes to follow up on reports of suspected violations to determine what occurred and who was responsible, and to recommend corrective and other actions.

Please include in your answer:

14.1. Describe the process to evaluate, investigate and resolve the report or concern and to review related current policies and practices for possible revision.

- 14.1. Broadlane's Ethics and Compliance Program contains a method for follow-up on reports of suspected violations to determine what occurred and who was responsible, and to recommend corrective and other actions. As discussed in Broadlane's response to Question 13, Broadlane's employees are encouraged to report suspected violations in good faith to their manager, their manager's supervisor, the Compliance Officer, or the EAL. Often, a response to a particular inquiry will be given immediately. If an issue requires additional attention, then employees will be kept informed of progress related to their inquiry.

The Compliance Officer is responsible for conducting a prompt and thorough investigation to ascertain the facts related to the issue to determine if a violation occurred. If the Compliance Officer determines that any violation occurred, then the Compliance Officer reports the violation to the Governance and Ethics Committee of the Board of Directors.

If the Compliance Officer concludes that a violation has occurred, appropriate disciplinary action (up to and including termination of employment) will be taken with the employee. Any violation and subsequent disciplinary action is reported to the Governance and Ethics Committee of the Board of Directors on a quarterly basis or as soon as practical.

Broadlane also makes an effort to consistently measure and improve the value of the Ethics and Compliance Program. Some of the techniques used to identify areas of possible revision include employee surveys, examination of trends or issues based on matters referred to the Compliance Officer, exit interview questionnaires, feedback from the Compliance Committee, feedback from managers at all levels, and compliance audits.

Through that process, Broadlane made substantive revisions to the Ethics and Compliance Program in May 2003, June 2004, July 2005 and November 2005. In addition, Broadlane added new controls and policies to ensure Broadlane remains in compliance with the Ethics and Compliance Program.

Links:

- Ethics and Compliance Program Overview at http://www.broadlane.com/com/com_7_4.html
- Employee Standards of Business Conduct at <http://www.broadlane.com/ourcompany/files/Employee.pdf>
- Ethics and Compliance Program Handbook (pages 10, 14, 22-23) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

15. Please describe how the GPO employees' compliance with its written code of business ethics and conduct is measured in their job performance?

Please include in your answer:

- 15.1. Is ethical conduct or conduct consistent with the written code of conduct an explicit standard by which all employees and levels of supervision are measured in their job performance?
- 15.2. Describe how ethics is evaluated and taken into account.

15.1. Yes. Conduct consistent with Broadlane's Ethics and Compliance Program is a standard that Broadlane uses to measure the job performance of all employees of all levels of supervision.

Links:

- Ethics and Compliance Program Overview at http://www.broadlane.com/com/com_7_4.html
- Employee Standards of Business Conduct at <http://www.broadlane.com/ourcompany/files/Employee.pdf>
- Ethics and Compliance Program Handbook (pages 8-9) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

15.2. The employee's attendance at mandatory orientation and refresher training sessions on the Ethics and Compliance Program, mandatory sexual harassment training (if applicable), and any violation of the Ethics and Compliance Program may impact the employee's evaluation. Twice each year, all Broadlane employees are measured on seven core competencies: (a) communication; (b) dependability; (c) teamwork; (d) judgment; (e) job knowledge; (f) quality; and (g) integrity.

All of the core competencies, except "integrity", are rated on a five-point scale as follows:

- 1 = Unacceptable
- 2 = Needs improvement
- 3 = Meets expectations
- 4 = Exceeds expectations
- 5 = Outstanding

"Integrity" is measured on a scale that ends at 3 ("Meets expectations") because Broadlane expects all of its employees to maintain the highest ethical standards while engaging in Broadlane business.

Links:

- Ethics and Compliance Program Overview at http://www.broadlane.com/com/com_7_4.html

- Employee Standards of Business Conduct at <http://www.broadlane.com/ourcompany/files/Employee.pdf>
- Ethics and Compliance Program Handbook (pages 8-9) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

16. Please describe the processes the GPO utilizes to monitor, on a continuing basis, adherence to the written code of business ethics and conduct, and with applicable federal laws.

Please include in your answer:

- 16.1. Is there a process to evaluate at least annually the GPO's adherence to the law and to the code of conduct? Please describe.
- 16.2. Who conducts the evaluation(s)?
- 16.3. To whom are reports of the evaluation(s) provided (e.g., Board, CEO)?

16.1. Yes. Broadlane monitors and evaluates adherence to the Ethics and Compliance Program and all applicable laws on a continual basis. The following are some examples of how Broadlane monitors adherence to the Ethics and Compliance Program.

Review and Audit of Broadlane Contracts. While in the drafting process, Broadlane's employees analyze every contract to ensure compliance with Broadlane's policies. Further, as discussed in Broadlane's response to Question 6.vii.1, an agreement (or an amendment to an agreement) in Broadlane's national contracting portfolio must include a written certification to the Compliance Officer from the responsible contract negotiator that the contract (or amendment) complies with Broadlane's Policy Regarding Contracting Activities. In addition, Broadlane periodically audits its contracts to monitor and ensure strict adherence to the Policy Regarding Contracting Activities in the Ethics and Compliance Program. Broadlane's Legal Department also reviews Broadlane's contracts to ensure compliance with all applicable laws.

Review and Audit of Broadlane's Ethics and Compliance Program. On a periodic basis, Broadlane conducts a comprehensive audit of Broadlane's Ethics and Compliance Program to ensure Broadlane is in compliance with the Ethics and Compliance Program and any applicable laws.

Gift Limitation Policy. As discussed in Broadlane's response to Question 2, Broadlane has a stringent gifts policy that is set forth in the Gift Limitation Policies of our Ethics and Compliance Program.

Initial Certification for New Employees. As discussed in Broadlane's response to Question 2, Broadlane's Ethics and Compliance Program requires that (upon beginning work for Broadlane) all employees, directors and committee members must certify

compliance with the Ethics and Compliance Program and complete a Conflict of Interest Questionnaire.

Employee, Director and Committee Member Certification of Broadlane's Ethics and Compliance Program. As discussed in Broadlane's response to Question 2, each employee, director and committee member must annually (a) confirm their adherence to (i) their applicable Standards of Business Conduct, (ii) Broadlane's Policy Regarding Contracting Activities, and (iii) all applicable laws; and (b) complete a Conflict of Interest Questionnaire. In addition, as described in Broadlane's response to Question 15, each employee's commitment to the Ethics and Compliance Program is evaluated on a semi-annual basis.

Ongoing Obligation to Report. As discussed in Broadlane's response to Question 2, each employee, director, and committee member has an ongoing obligation to disclose in writing to the Compliance Officer any business, financial, or other relationship that either creates an actual or is perceived to create a conflict of interest not previously disclosed on the Questionnaire. Further, all employees have an obligation to report incidents that they believe may be in violation of any Broadlane policy, or that they believe are otherwise unethical or illegal, to their manager, the Compliance Officer, or the EAL at 866.45.ETHIC or 866.453.8442. Any employee who reports actual or potential misconduct in good faith is protected against retaliation.

Broadlane's Compliance Committee. Broadlane's Compliance Committee (composed of a cross-functional team of Broadlane's executive management) assists the Compliance Officer to continually monitor the effectiveness of the Ethics and Compliance Program. Broadlane's Compliance Officer reports the Compliance Committee's activities and other work product to the Governance and Ethics Committee of Broadlane's Board of Directors on a quarterly basis or as soon as practical. The Compliance Officer and the Governance and Ethics Committee of the Board of Directors evaluate, review, and revise (when appropriate) the Ethics and Compliance Program on a continual basis.

Refresher Ethics and Compliance Training. In order to ensure continued adherence to the Ethics and Compliance Program and all applicable federal laws, Broadlane requires each employee to annually attend a refresher ethics and compliance training session. These sessions educate employees about Broadlane's Ethics and Compliance Program and all applicable laws. As discussed in Broadlane's response to Question 15, an employee's attendance at mandatory ethics and compliance training sessions may impact that employee's evaluation. In 2007, Broadlane achieved 100% attendance at the refresher ethics and compliance training sessions.

Links:

- Ethics and Compliance Program Overview at http://www.broadlane.com/com/com_7_4.html
- Employee Standards of Business Conduct at <http://www.broadlane.com/ourcompany/files/Employee.pdf>

- Director Standards of Business Conduct at <http://www.broadlane.com/ourcompany/files/Director.pdf>
- Committee Member Standards of Business Conduct at <http://www.broadlane.com/ourcompany/files/Committee.pdf>
- Broadlane Policy Regarding Contracting Activities at <http://www.broadlane.com/ourcompany/files/Contracting.pdf>
- Ethics and Compliance Program Handbook (pages 8-10, 12-18) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

16.2. Broadlane’s Compliance Officer is responsible for organizing, implementing, and maintaining the Ethics and Compliance Program. The Compliance Officer (with the assistance of other Broadlane departments) conducts the evaluation and monitoring methods discussed in Broadlane’s response to Question 16.1.

Links:

- Ethics and Compliance Program Overview at http://www.broadlane.com/com/com_7_4.html
- Ethics and Compliance Program Handbook (pages 8-9) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

16.3. On a quarterly basis or as soon as practical, the Compliance Officer reports to the Governance and Ethics Committee of Broadlane’s Board of Directors and Broadlane’s Chief Executive Officer on compliance issues (including any compliance audit). In addition, any compliance audit is shared with the Compliance Committee (composed of a cross-functional group of Broadlane executives). In addition, the Compliance Officer makes recommendations to the Governance and Ethics Committee to increase the effectiveness of Broadlane’s Ethics and Compliance Program. The Governance and Ethics Committee is responsible for overseeing the formation and administration of the Ethics and Compliance Program.

Links:

- Ethics and Compliance Program Overview at http://www.broadlane.com/com/com_7_4.html
- Ethics and Compliance Program Handbook (pages 8-10) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

17. Please describe how the GPO fulfilled its obligation to participate in the most recent Best Practices Forum.

Please include in your answer:

- 17.1. Please state how many company persons attended the Best Practices Forum in Washington, DC in January 2008.
- 17.2. Please name the most senior executive who attended.

17.1 Seven Broadlane executive- and director-level employees attended the GPO Best Practices Forum in January 2008 and participated in various panel discussions during the Forum.

Links: Not applicable.

17.2 Charles Saunders, M.D., Broadlane's Chairman and Chief Executive Officer, attended the GPO Best Practices Forum in January 2008.

Links: Not applicable.

18. Please describe how the GPO reports to the company's Board of Directors or its Audit or other appropriate committee on the GPO's ethics and compliance program and its commitment to the Initiative's Principles.

Please include in your answer:

- 18.1. Are periodic reports on the company's ethics and compliance program made to the GPO's board of directors or to a committee of the board? If so, please state how often and in general, what information is reported?
- 18.2. Are periodic reports on the company's participation in the Initiative made to the GPO's board of directors or a committee of the board? If so, please state how often and in general, what information is reported?

18.1. Yes. On a quarterly basis or as soon as practical, the Compliance Officer reports to the Governance and Ethics Committee of Broadlane's Board of Directors on ethics and compliance issues (including Broadlane's commitment to the Initiative's Principles), and the activities of the Compliance Committee. In addition, the Compliance Officer makes recommendations to the Governance and Ethics Committee to increase the effectiveness of Broadlane's Ethics and Compliance Program. The Governance and Ethics Committee is responsible for overseeing the formation and administration of the Ethics and Compliance Program.

Links:

- Ethics and Compliance Program Overview at http://www.broadlane.com/com/com_7_4.html

- Information about the Healthcare Group Purchasing Industry Initiative at http://www.broadlane.com/com/com_7_4_9.html
- Ethics and Compliance Program Handbook (pages 8-10) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

18.2. Yes. As discussed in Broadlane’s response to Question 18.1, the Compliance Officer reports to the Governance and Ethics Committee of Broadlane’s Board of Directors on ethics and compliance issues, which include Broadlane’s commitment to the Initiative’s Principles. For example, the Compliance Officer provides the Governance and Ethics Committee of Broadlane’s Board of Directors updates regarding any new and existing requirements of the Initiative.

Links:

- Ethics and Compliance Program Overview at http://www.broadlane.com/com/com_7_4.html
- Information about the Healthcare Group Purchasing Industry Initiative at http://www.broadlane.com/com/com_7_4_9.html
- Ethics and Compliance Program Handbook (page 8-10) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

19. Please name the senior manager assigned responsibility to oversee the business ethics and conduct program.

Please include in your answer:

19.1. The name and title of the individual.
 19.2. Contact information for the individual.
 19.3. Please give the contact information for the person responsible for responding to questions related to this report.

19.1. Broadlane’s Ethics and Compliance Program requires Broadlane to designate a senior officer of the corporation to be responsible for organizing, implementing and maintaining the Program. Sherri Moore, Vice President, Human Resources and Broadlane’s Compliance Officer, serves in this capacity. As discussed in Broadlane’s response to Question 18, Ms. Moore reports directly to the Governance and Ethics Committee of Broadlane’s Board of Directors on a quarterly basis or as soon as practical.

Links:

- Ethics and Compliance Program Overview at http://www.broadlane.com/com/com_7_4.html
- Ethics and Compliance Program Handbook (page 8-10) at <http://www.broadlane.com/ourcompany/files/EthicsandComplianceProgramHandbook.pdf>

19.2. Ms. Moore can be reached at 866.276.2356 or sherri.moore@broadlane.com.

Links:

- Ethics and Compliance Program Overview at http://www.broadlane.com/com/com_7_4.html

19.2. Ms. Moore is responsible for responding to questions related to this report. She can be reached at 866.276.2356 or sherri.moore@broadlane.com.

Links:

- Ethics and Compliance Program Overview at http://www.broadlane.com/com/com_7_4.html

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