

2010 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 Amerinet, Inc. [Standards of Business Ethics and Conduct](#)

1.2 The document outlines the principles that Amerinet has operated under since it was established in 1986. They include integrity, fairness, responsibility for actions and actions must be consistent with applicable laws and regulations. The document emphasizes the duty of each employee to have loyalty to Amerinet and avoid any situations which could create a conflict of interest. It stresses the need to keep internal information confidential and prevents outside investments for senior leadership as well as any individuals who have input and decision making authority into the awarding of contracts.

1.3 None

1(a). Please describe the ownership structure of your organization, including details regarding the following:

(i) What person(s) or entity(ies) control the majority of voting interests in your GPO?

(ii) Please categorize the types of equity holders of your GPO (e.g., healthcare providers, private citizens, for-profit entities, not-for-profit entities)

(iii) Is your GPO or any of its equity holders a publicly held company?

(iv) What is the corporate form of your organization (e.g., corporation, partnership, limited liability company, co-op, etc.)

(v) Is your GPO organized as a for-profit or not-for-profit organization, and in what state is it organized?

1(b). Please describe the composition of your Board of Directors or other governing body ("Board").

(i) Please state how many individuals serve on your Board.

(ii) Please state what percentage of the directors on your Board represent entities that participate in (i.e., are customers of) your GPO.

(iii) Please state what percentage of the directors on your governing board are employees of your GPO.

(iv) Please state whether any members of your Board also serve as employees, officers, or directors of any Participating GPO Vendor.

(v) If your Board has members that serve as employees, officers, or directors of a Participating GPO Vendor, please state how many and what percentage of the total Board, and explain what policies you have in place to address potential conflicts of interest that may arise. For the purposes of this Questionnaire, "Participating GPO Vendor" means a manufacturer, distributor, supplier or other vendor of health care services and/or products

that has a contract or submits a formal bid or offer to contract with the GPO to provide goods or services to the GPO's participants.

1(c). Please indicate whether any equity holder of your GPO (i.e., any ownership or investment interest other than an ownership or investment interest in a publicly traded security and mutual fund) is a physician (or an immediate family member of a physician). An "immediate family member" means a husband or wife, birth or adoptive parent, child, or sibling, stepparent, stepchild, stepbrother, or stepsister; father-in-law, mother-in-law, daughter-in-law; grandparent or grandchild; and spouse of a grandparent or grandchild. An "equity holder" means the named holder of any stock, membership, unit, or other ownership interest.

- 1.a.i Administrative Resources, Inc & Intermountain Health Services, Inc.
- 1.a.ii Healthcare providers and for-profit entities
- 1.a.iii No
- 1.a.iv Corporation
- 1.a.v For-profit, Delaware
- 1.b.i Six
- 1.b.ii 83%
- 1.b.iii None
- 1.b.iv None
- 1.b.v N/A
- 1.c. None

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 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 Amerinet, Inc. Conflict of Interest Policy
 - a. & b. All employees are covered by the Amerinet Conflict of Interest and Standards of Business Ethics and Conduct policies.

- c. A separate policy was developed for the Board of Directors and was adopted in December 2007. Board members are required to document any conflicts of interests on an annual basis.
- d. Members of advisory committees are required to recuse themselves from decisions on suppliers in which they have investments.
- e. Not applicable.

2.2

- a. For senior management, no investments in participating suppliers. Contracting employees, no investments in suppliers with whom they contract.
- b. No service on Boards of participating suppliers is permitted.
- c. & d. Gifts or promotional items of nominal value (not to exceed \$50 per instance or \$100 in any calendar year) may be accepted by Amerinet employees provided they are not an inducement for business. Amerinet employees may buy meals for vendor employees subject to the expense reimbursement policy.
- e. None

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.¹

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 Amerinet owns two additional business units which are complementary to the Group Purchasing Business. Amerinet Choice is a private label unit that provides a portfolio of products at prices below the market for branded products. DataBay Resources/Inquisit is a unit that has developed a series of technologies and products that are primarily utilized by

¹ 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))

- hospitals, related health care businesses and insurance companies in a variety of settings including data collection, reporting and strategic planning.
- 3.2 Amerinet owns 50% of National Purchasing Partners, a non-healthcare group purchasing organization.
- 3.3 DataBay sold market research software, unrelated to the GPO business, to one Amerinet contracted vendor in 2010.
- 3.4
- a. Amerinet will not accept a corporate equity interest from any supplier nor will Amerinet purchase such equity interest.
 - b. Amerinet accepts sponsorship fees and booth exhibit fees in connection with its annual membership meeting each year. The money collected covers the costs associated with the meetings and help defray the costs for the attending members.
 - c. Yes. Amerinet's education entity, Inquisit, does accept educational grants from vendors. Inquisit is not a health care provider and does not purchase any medical or pharmaceutical products. 100% of all education grant dollars received by Inquisit are used to develop, accredit, implement, promote, deliver and evaluate education content, based on need, to health care professionals nationally.

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).
- 4.9 Please describe the GPO's policy with respect to the receipt of sponsorship funds, grants, and other non-administrative fee revenue from vendors.
 - i. If the GPO allows the receipt of educational grants, please describe in detail the types of programs for which it receives such grants.
 - ii. If the GPO receives or is permitted to receive sponsorship funding, please describe the circumstances under which it may receive such funding?
 - iii. If such funding is received by the GPO, is it disclosed to the GPO's participating members and how?

- 4.1 Disclosure of fees to be collected under the terms of contracts with suppliers are contained in the Contract Data Sheets that are available in Amerinet's electronic catalog. In addition, Amerinet provides reports to its members on an annual basis that detail administrative fees received on their purchases.
- 4.2 Yes, all payments received by Amerinet are disclosed to members as part of the Annual Safe Harbor Reporting process.

- 4.3 No. Amerinet has a limited numbers of contracts that provide for additional administrative fees if certain requirements are achieved.
- 4.4 No
- 4.5 No
- 4.6 No
- 4.7 No
- 4.8 Amerinet accepts fees for members who drop membership entirely for a period of 12 months as often times the transition to another GPO takes a period of time and the fees are still due under the contract terms. Amerinet believes that any purchase pursuant to one of its contracts is a purchase by an eligible member and reports all member purchases as required by the safe harbor regulations on an annual basis. In instances, when a vendor reports inaccurate amounts or identifies payments that were not made on n Amerinet contract, those administrative fees are returned to the vendor.
- 4.9.i Educational grants are requested based on the needs of the membership following all guidelines. Educational grants are requested by and received only by the dedicated educational division of the GPO. This division is an accredited CE provider and meets all firewall guidelines of the accrediting agencies. The GPO offers the education to members and non-members. Educational grants are received for several delivery methods including audio conference, Webcast, Web based/on-demand and classroom setting activities. The majority of the activities are national and delivered via distance media. The topics of the grant education include clinical, disease state management, best practices, quality and regulatory, emergency preparedness, nutrition, technology, and point-of-care testing.
- 4.9.ii Amerinet accepts sponsorship fees and booth exhibit fees in connection with its annual membership meeting each year. The money collected covers the costs associated with the meetings and help defray the costs for the attending members. The accredited education division does not receive sponsorship funding.
- 4.9.iii Yes, it is discussed on an annual basis to members via the annual safe harbor reporting process. All educational grants are fully disclosed to the learners/members in the marketing process and at year's end in an annual report document.

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 of a participation agreement with the GPO or the joining or renewal of membership in the GPO program?

- 5.1 Contract purchases and fee information by contract is accumulated in Amerinet's Contract Activity Tracking system. On an annual basis, this information is reported to all members who made purchases during that period. In addition, all license fees and vendor sponsorships are disclosed on an annual basis in the Annual Safe Harbor Reports.
- 5.2 No, fees are paid on reported contract purchases only.

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. The current documents are posted on the Amerinet website www.amerinet-gpo.com.
See <http://www.amerinet-gpo.com/Our-Network/Suppliers/Pages/Bid-Calendar-RFP-Process.aspx>
6.2 It is posted under the Supplier Resources tab on our public site at www.amerinet-gpo.com

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. An 18 month calendar of product categories is posted on the website. Suppliers can indicate their interest in bidding on a particular product category directly on the website.
See <http://www.amerinet-gpo.com/Our-Network/Suppliers/Pages/Bid-Calendar-RFP-Process.aspx>
6i.1 Yes, on the same public website www.amerinet-gpo.com as part of the Contracting Process document.
See <http://www.amerinet-po.com/Documents/Amerinet%20Contracting%20Process.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. The Amerinet Contracting Process document at www.amerinet-gpo.com outlines a set of minimum supplier qualifications.
See <http://www.amerinet-gpo.com/Our-Network/Suppliers/Pages/Bid-Calendar-RFP-Process.aspx>
6ii.1 Yes
6ii.2 Specific product category related criteria are included as part of an RFP package.

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:

6.iii.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. Suppliers that meet the minimum supplier qualification requirements are considered eligible.
See <http://www.amerinet-gpo.com/Our-Network/Suppliers/Pages/Bid-Calendar-RFP-Process.aspx>.
6iii.1 The Amerinet Contracting Process document outlines the general supplier requirements. Any additional requirements that are necessary for a specific product category are included in the specific RFP package.

See <http://www.amerinet-gpo.com/Our-Network/Suppliers/Pages/Bid-Calendar-RFP-Process.aspx>.

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 Requirements of suppliers to be eligible for an award are included in the Contracting Process document.

See <http://www.amerinet-gpo.com/Our-Network/Suppliers/Pages/Bid-Calendar-RFP-Process.aspx>

6iv.1 Yes

6iv.2 Yes, each contract is reviewed and countersigned by the appropriate contracting vice president.

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. Amerinet employees follow the processes outlined in the Amerinet Contracting Process document.

See <http://www.amerinet-gpo.com/Documents/Amerinet%20Contracting%20Process.pdf>

6v.1 Yes

6v.2 Amerinet employees follow a defined process for bid solicitation, proposal review, contract analysis and award decisions.

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

Please include in your answer:

- 1. Describe your policies that support competitive procurement.

6vi Amerinet utilizes a competitive bidding process

6vi.1 Amerinet utilizes a competitive bidding process and negotiation strategy, where appropriate, combined with posting of a bid calendar on

<http://www.amerinet-gpo.com/Our-Network/Suppliers/Pages/Bid-Calendar-RFP-Process.aspx>.

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 Amerinet utilizes a dual award strategy unless the addition of more than two awarded suppliers will dilute the value of the contract to Amerinet members. A Sole award is made in those cases where the value to the member is significant compared to a dual award. All Sole awards require the approval of Amerinet senior leadership.
- 6vii.1 Yes, see <http://www.amerinet-gpo.com/Documents/Amerinet%20Contracting%20Process.pdf>
- 6vii.2 Dual is the practice unless the membership value is significantly better by making a sole award. Sole awards require approval of senior leadership.
- 6vii.3 Amerinet awards contracts based upon a competitive process and thorough objective review of the documents. Single source awards do not preclude the addition of other contracted suppliers in the same product category.

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 Federal Regulatory 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 The overall average administrative fee is less than 3% and there is no minimum administrative fee requirement.
- 6viii.1 Administrative fees are negotiated on an individual contract basis.
- 6viii.2 The majority of Amerinet contracts and for clinical items, in particular, have a 3% administrative fee or less.
- 6viii.3 97% of all contracts include fees of 3% or below. 3% of all contracts include fees between 3 and 5%. There are two contracts that have administrative fees ranging from 6% to 7%. All fees are disclosed and reported per Federal Safe Harbor guidelines.
- 6viii.4 Amerinet receives license fees from vendors participating in the Amerinet Choice program. Amerinet discloses all such licensing fees to its client through contract data sheets and the Annual Safe Harbor reports. Amerinet does not accept upfront fees, marketing fees, signing bonuses or equity arrangements.
- 6viii.5 Amerinet does not impose a minimum fee on any supplier.

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 Amerinet does not accept contracts that require bundling across diverse product categories in order to receive the base benefits of the contract.
- 6ix.2 No. It is acceptable for a supplier to offer additional contract administrative fees beyond the base in return for increased utilization across supplier divisions and product categories.
- 6ix.3 Amerinet does not allow bundling of products or services from different vendors.
- 6ix.4 The standard contract term is three years.

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 Amerinet provides additional value to members through Amerinet Choice, a private label program.
- 6x.1 The products covered under this program are primarily commodity products.
- 6x.2 Fees are paid by suppliers in the form of annual license fees, which are based upon the value of the Amerinet Choice name, additional sales and marketing efforts by a dedicated Amerinet Choice team and overall volume of the program.
- 6x.3 Private label agreements are three party agreements between Amerinet Choice, Amerinet and the supplier. A fee of 3% or less is paid to Amerinet. A license fee is paid to Amerinet Choice which is based upon the value of the Amerinet Choice services provided pursuant to the contract. The average license fee percent is 3.0%.
- 6x.4 Amerinet has policies/procedures in place that outline the process of determining appropriate product categories for private label consideration, evaluating proposals and making award decisions.

6xi. Please describe the GPO's supplier grievance process?

Please include in your answer:

- 6xi.1 Please describe the GPO's policy and process with respect to responding to a supplier's grievance regarding the bid/award process?
- 6xi.2 Does the GPO participate in HGPII's Independent Evaluation Process?
- 6xi.3 Is the description of the GPO's supplier grievance process on a public website or sent to those who inquire, or provided in some other way?
- 6xi.4 Did any supplier, since submission of the last GPO's Public Accountability Questionnaire, request evaluation pursuant to the HGPII Independent Evaluation Process? If so, please provide information regarding the outcome of such evaluation.

- 6xi.1 Any supplier who believes they have a grievance concerning their experience with the Amerinet competitive contracting process may file a grievance in writing within 30 days of the announcement of the award by sending an e-mail to the appropriate contract manager stating the reasons for the grievance with copies to:
- Mike Costabile, the Amerinet Compliance Officer (mike.costabile@amerinet-gpo.com)
 - Randy Walter, EVP, Contracting, Inquisit and Marketing (randall.walter@amerinet-gpo.com)
 - Dale Wright, Sr. Vice President, Corporate Contracting (dale.wright@amerinet-gpo.com)

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

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

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

6xi.2 Yes

6xi.3 Yes, on our public website www.amerinet-gpo.com.

See <http://www.amerinet-gpo.com/Our-Network/Suppliers/Pages/Supplier-Grievance-Process.aspx>

6xi.4 No

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.
- 7.4. Has the new HGPII independent vendor grievance review process been displayed on the GPO’s public Website?

7. The Amerinet Contracting Process document on the public portion of the www.amerinet-gpo.com website includes a Supplier Grievance Process section that clearly outlines the grievance process. See <http://www.amerinet-gpo.com/Our-Network/Suppliers/Pages/Bid-Calendar-RFP-Process.aspx>

7.1 The Amerinet Contracting Process document on the public portion of the www.amerinet-gpo.com website includes a Supplier Grievance Process section that clearly outlines the grievance process. See <http://www.amerinet-gpo.com/Our-Network/Suppliers/Pages/Bid-Calendar-RFP-Process.aspx>

7.2 Information is posted on the public website.

7.3 Suppliers can contact either the Amerinet Compliance Officer or the Executive Vice President of Contracting to discuss concerns related to the contracting process or compliance concerns in general. Amerinet executives will then investigate the concern and follow-up with the supplier to discuss findings any actions, if necessary.

7.4 Yes; See <http://www.amerinet-gpo.com/Our-Network/Suppliers/Pages/Supplier-Grievance-Process.aspx>

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 Amerinet supports the importance and impact of new technology on patient care. Through a provision in Amerinet's Corporate Contracting Principles, Amerinet stresses the support of research regarding emerging technologies and through Amerinet's policy enabling it to contract with vendors of new and unique technology at any time, Amerinet encourages innovative product selection.
- 8.2 Amerinet has a specific niche/new technology process and a dedicated resource to facilitate the review and contract consideration of new technology. Also, see 8.1.
- 8.3 Amerinet includes a new technology provision in the contract boilerplate that allows for the addition of new technology to avoid interference with product categories already under contract.
- 8.4 Yes
- 8.5 Yes
- 8.6 Yes

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. Amerinet firmly believes that minority-owned and women-owned businesses are one of the cornerstones of economic development. The Amerinet Supplier Diversity Program works to solidify that foundation and create increased opportunities for these businesses. Amerinet fosters business relationships with minority-owned and women-owned businesses where it supports and reflects the needs of the membership. In addition, those contracted Amerinet suppliers that do business with minority-owned and women-owned suppliers will be viewed as providing additional value to Amerinet members
- 9.1 Amerinet actively seeks out diversity suppliers, including both minority and woman-owned business, and encourages member suggestions for potential diversity suppliers.

Amerinet members are free to decide to purchase outside of the Amerinet contract portfolio based upon their own assessment of the importance of engaging diversity suppliers without conflict or pressure from Amerinet.

9.2 The Amerinet diversity supplier portfolio accounts for 6% of the Amerinet contracts and 3% of Amerinet contract sales. See Question 9.

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.

10.1 The Amerinet Conflict of Interest and Standards of Business Ethics and Conduct policies are provided to all newly hired employees and annually thereafter. In addition, they are included in the Amerinet Employee Handbook.

10.2 Both of the policies are available on the online internal website for all employees.

10.3 No, but it is discussed prior to any advisory committee meeting and is available on our website.

10.4 Yes, annually.

10.5 Available on Amerinet website www.amerinet-gpo.com. See <http://www.amerinet-gpo.com/Amerinet%20Documents/Amerinet%20Standards%20of%20Business%20Ethics%20and%20Conduct.pdf>

10.6 Available on Amerinet website www.amerinet-gpo.com. See <http://www.amerinet-gpo.com/Amerinet%20Documents/Amerinet%20Standards%20of%20Business%20Ethics%20and%20Conduct.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.

11.1 The Amerinet Conflict of Interest and Standards of Business Ethics and Conduct policies are provided to all newly hired employees.

11.2 The Amerinet Conflict of Interest and Standards of Business Ethics and Conduct policies are provided to all newly hired employees and supervisors discuss and answer any questions. Also see Section 12.

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. A refresher program is scheduled annually and includes specific instruction and review on code of conduct, business ethics, and contracting policies. The program is presented by Amerinet Compliance Officer and outside legal counsel.
- 12.1 All contracting personnel. In 2010, all sales personnel went through training. In addition, at least annually all employees are notified of the importance of compliance and ethics and reminded how to have concerns addressed. See Question 13.
- 12.2 The program provides specific instruction and review on code of conduct, business ethics, contracting policies and industry best practices.

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 Employees have several options, in addition to their immediate supervisor, for reporting possible violations to the Standards of Business Ethics and Conduct policy. They may discuss their concerns with the next level of management, with a Human Resources representative, or with Amerinet's Compliance Officer. Amerinet has also contracted with "The Network" to provide hotline services to our employees and business partners who wish to anonymously report violations. The hotline service is discussed annually, in person at employee meeting at the various Amerinet locations. An article is featured annually in the Amerinet employee newsletter. Employees have been provided with brochures on how to contact "The Network" and posters and brochures are posted on site. We also have information on our web site regarding the hotline and how business partners may report suspected violations.
- 13.2 An individual calling "The Network" is not required to identify him/herself, and his/her telephone number is not tracked by "The Network". "The Network" provides the caller with an ID number and the caller is asked to call back in two weeks in case additional information is required.
- 13.3 The Amerinet Standards of Business Ethics and Conduct policy prohibits the company from taking retaliation against an employee for reporting a violation.

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 If the hotline receives a complaint, the Compliance Office is notified. The Compliance Officer is responsible to investigate, document, determine what has occurred and who may be responsible, and to resolve whether by corrective action or other action each notification of a suspected violation. In doing so, the Compliance Officer uses reasonable judgment to question the appropriate parties on the facts. Once, enough information has been acquired in order to make an informed decision, the action is take to provide proper resolution and closure for the reported incident or question. The Compliance Officer will report all complaints submitted by the hotline, the results of the related investigations, and the subsequent actions taken to the Board of Directors

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 & 15.2 Ethical conduct and conduct consistent with the written code of conduct is an explicit standard by which all employees and levels of supervision are measured in their job performance. Every employee is to be evaluated on a quarterly basis and finally at year end. The employee evaluation form requires that supervisors the performance areas for the employee's values including Ethics and Integrity. All employees are provided a copy of the Amerinet Standards of Business Ethics and Conduct policy. If a violation of this policy would occur it would be addressed immediately and documented in the employee's file.

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 response:

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 This is an ongoing process. Corporate activities are monitored by the Company Compliance Officer.

16.2 The Chief Compliance Officer

16.3 Quarterly reports and an annual summary are provided to the Board of Directors.

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 March, 2010.
- 17.2. Please name the most senior executive who attended.

- 17.1 Four Amerinet employees attended in addition to Amerinet's Washington Advocate.
- 17.2 President & CEO

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 Reports are made to the Board on quarterly and a summary of the year is made annually. Items that are sensitive in nature or require immediate actions are brought to the Board as they occur.
- 18.2 Yes. An update is given after the Best Practices Forum each year and at other meetings if there is activity to report.

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 Michael D. Costabile, Chief Financial Officer & Chief Compliance Officer
- 19.2 EM: mike.costabile@amerinet-gpo.com, PH: 314.542.1901
- 19.3 Michael D. Costabile, PH: 314.542.1901