

## 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.

### **YANKEE ALLIANCE:**

- 1.1 In 2000 the Yankee Alliance board of directors adopted a comprehensive set of ethic principles, policies, and practices entitled "[Yankee Alliance Ethics at Work](#)". This document outlined for Yankee Alliance staff the policies and procedures required to meet our ethical and regulatory standards as a healthcare alliance.
- 1.2 "Ethics at Work" outlines the following policies and procedures: code to business conduct, code of conduct, conflict of interest policy, how the conflict of interest and code of conduct impact member committee activities, whistleblower policy and expectations of suppliers and a summary of our contract award process.
- 1.3 There have been no changes made to last year's report.

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

**(i) What person(s) or entit(ies) control the majority of voting interests in your GPO?**  
Yankee Alliance Supply Chain Cooperative is a 501e not –for –profit governed by a board of 10 patron hospital executives.

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

**(iii) Is your GPO or any of its equity holders a publicly held company? No**

**(iv) What is the corporate form of your organization (e.g., corporation, partnership, limited liability company, co-op, etc.) 501e not-for-profit**

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

**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.** 10

**(ii) Please state what percentage of the directors on your Board represent entities that participate in (i.e., are customers of) your GPO.** 100%

**(iii) Please state what percentage of the directors on your governing board are employees of your GPO.** 0%

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

No Board member has declared in their annual disclosure statement serving as an employee, officer or director of a participating 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.**

N/A

**1(c).** No patron owns the GPO as it is a not-for-profit.

**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?

**YANKEE ALLIANCE:**

**2.1** All Yankee Alliance employees, board members and committee members are included and expected to comply with the Yankee Alliance code of conduct and conflict of interest policy.

**2.2 Employees**

- a. No Yankee Alliance employee shall without appropriate disclosure own an individual equity interest in any participating supplier where they would be in a position to influence a contracting decision. Yankee Alliance, the corporation, will hold no corporate equity interest in any particular supplier, unless the acquisition of the equity interest demonstrably benefits the Yankee Alliance membership by creating a source for a product or service where there is no other source or very limited sources. Board approval is required for any such investment. Any corporate equity interest approved by the board will be disclosed to the members at the time of investment and as part of the annual disclosure statement to the members. Board and committee members complete an annual disclosure statement disclosing relationships they or their families have with business and other organizations Yankee Alliance does business with, stock positions they own, employment relationships they have and gifts they may have received.
- b. Employees are not allowed to serve on boards of directors of participating vendors. Board and committee members who could hold this type of position would disclose this activity annually and would not be involved in activities related to that participating vendor.
- c. *Employees:* No Yankee Alliance employee shall accept gifts, entertainment, favors, honoraria or personal service payments other than of nominal value from any participating supplier. Nominal value is defined as \$50 per incident and no more than \$200 per calendar year. Yankee Alliance provides no gifts to participating suppliers.

*Officers, directors and advisors:* Any officer, director or advisor of Yankee Alliance who is in a position to influence Yankee Alliance contracting decisions and accepts any gifts, entertainment, favors, honoraria or personal service payment other than those of nominal value from any participating supplier will disclose such payment through the completing of their annual disclosure statement. They will be required to recuse themselves from any activity with the participating vendor.

- d. Meals and entertainment are allowed as long as bonafide business matters are discussed. Participation in these activities requires the approval of a member of the senior management

**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.<sup>1</sup>**

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?

**YANKEE ALLIANCE:**

3.1. Yankee Alliance provides to its members in addition to GPO services: education, opportunities to network with peers, benchmarking services and assistance in reviewing various operational concerns they may be dealing with.

3.2. Not applicable

3.3. No services are sold to vendors

**3.4. Policies & Guidelines**

---

<sup>1</sup> 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))

- a. Yankee Alliance shall hold no corporate equity interest in any participating supplier, unless the acquisition of the equity interest demonstrably benefits the Yankee Alliance membership by creating a source for a product or service where there is no other source or very limited sources. Board approval is required for any such investment.
- b. Yankee Alliance does accept fees related to participation by vendors at various educational conferences. These fees are utilized to cover the cost of the event. Approval by senior management is required for a vendor to participate.
- c. Yankee Alliance does accept grants to sponsor speakers at educational and networking conferences, the grant fees are utilized to offset the speaker fees and travel expenses. Yankee Alliance also encourages with the approval of senior management, vendor sponsored education offering clinicians continuing education credits. No fees are charged to offer these programs. Senior Management approves all grants for educational programs.

**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?

**YANKEE ALLIANCE:**

- 4.1 Yes, in accordance with GPO Safe Harbor regulations Yankee Alliance discloses annually to all members fees received from vendors.
- 4.2 Fees other than administrative fees are disclosed through the organizations financial reporting system. The organization in the future will be reporting those fees as part of the annual disclosure process.
- 4.3 Do not accept marketing fees
- 4.4 Do not accept partnership incentives
- 4.5 Do not accept equity
- 4.6 Do not accept upfront fees
- 4.7 Do not accept honoraria, but Yankee Alliance does accept reimbursement for expenses related to the event
- 4.8 Any fees received from a vendor related to an ineligible member are reconciled and returned to the vendor within 60 days of receipt of the administrative fee payment.
- 4.9 Non-administrative fee revenue from vendors
  - i. Yankee Alliance may allow the receipt of educational grants for education that enhances Yankee Alliance’s ability to serve our mission. Acceptance of such grants has been very rare. Yankee Alliance pays all travel and related expenses associated with acceptance of such grants.
  - ii. Yankee Alliance does accept fees related to participation by vendors at various educational conferences. These fees are utilized to cover the cost of the event. Approval by senior management is required for a vendor to participate.
  - iii. Funding for participation by vendors at educational conferences is disclosed to Yankee Alliance members via an acknowledgement printed in the agenda for those meetings.
- 4.10

**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?

**YANKEE ALLIANCE:**

5.1 Yankee Alliance discloses any fees paid to a member from a vendor such as a contractually defined rebate. There are no other fees to report.

5.2 Yankee Alliance pays no fees for joining or participating with the organization.

**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?

**YANKEE ALLIANCE:**

6.1 Yes

6.2 The process and bid calendar are available on our website at [Contracting Process](#).

**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?

**YANKEE ALLIANCE:**

6.i.1 Yankee Alliance’s contract award process is available to all interested vendors and is available on our website at [Contract Award Process](#).

**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?

**YANKEE ALLIANCE:**

**6.ii.1** Yankee Alliance’s [supplier expectations](#) which is available on the organization’s website, details the generic requirements of a vendor wishing to do business with the organization.

**6.ii.2** No, requirements are developed for each contracting opportunity and are communicated with each potential supplier.

**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?

**YANKEE ALLIANCE:**

**6.iii.1** Specific requirements are developed for each contracting opportunity based on the wishes of the member advisory committee.

**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?

**YANKEE ALLIANCE:**

**6.iv.1** The criteria by which the winning vendor receives an award varies by contract and is defined for each category that is bid, and all participating vendors have the process explained in a face to face meeting.

**6.iv.2** There is a process that is followed, however, there is no written procedure.

**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.

**YANKEE ALLIANCE:**

**6v.1** Yes, A system is in place

**6v.2** All participating suppliers being considered for an award are asked to inform staff as to their product line, and they have the opportunity to present their product to member committees collectively or in their individual institutions. Upon evaluation recommendations are made by the member advisory committee.

**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.

**YANKEE ALLIANCE:**

**6vi.** When Yankee Alliance contracts regionally for products it first surveys the membership to determine what vendors are being utilized. We then survey the market to determine who all the vendors are, what technological changes are taking place and who can service our membership. Proposals and pricing proposals are reviewed, and our advisory committees review and recommend a course of action.

Yankee Alliance also utilizes Premier agreements for national contracts. A similar process is in place to determine if one supplier offers an enhancement over another. This information is then shared with the membership, and they determine what vendor to utilize.

**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.

**YANKEE ALLIANCE:**

**6vii.1.** No

**6vii.2.** Sole or dual source procurement will only be used when the membership deems it necessary. If these methodologies were employed they would be voluntary.

**6vii.3.** Yankee Alliance posts our [contracting calendar](#) on our [website](#) which is available to all potential suppliers. When contracting for a category all current suppliers and supplier applicants are considered. Yankee Alliance staff prepares and presents pricing, service capability, product equivalency and other decision criteria to our member advisory committee(s). Member advisory committees provide direction to staff and make the final award decision based upon both financial and non-financial criteria. Contracts awarded to a single vendor, where there is no exclusivity language, are awarded as “convenience” contracts through the same process.

**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?

**YANKEE ALLIANCE:**

**6viii.1.** Yankee Alliance does not accept administrative fees beyond 3%.

**6viii.2.** Yankee Alliance does not accept administrative fees beyond 3%.

**6viii.3.** 0 – 3%

**6viii.4.** No other fees are collected that are based on the purchase of a product.

**6viii.5.** No minimum fee requirement.

**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.

**YANKEE ALLIANCE:**

- 6ix.1.** Yankee Alliance has no bundling policy because it is not engaged in the activity.
- 6ix.2.** No
- 6ix.3.** No
- 6ix.4.** Agreements for clinical preference products, when written, are for no more than 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.

**YANKEE ALLIANCE:**

- 6x1. – 6x.4.** No private label program exists at Yankee Alliance

**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** The vendor has the right to express a concern about a process or contract award to the Compliance Officer. This information is on our web page for our vendors to review/

**6xi.2.** No.

**6xi.3** This information is on our web page for our vendors to review.

**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?

**YANKEE ALLIANCE:**

**7.1** The vendor has the right to express a concern about a process or contract award to the Compliance Officer. This information is on our web page for our vendors to review

**7.2** Any grievance will be directed to our Compliance Officer

**7.3** The process is as follows

- a. Grievance filed with Yankee Alliance staff
- b. Situation discussed with vendor
- c. Can the situation be resolved with staff?  
If not, the grievance is brought to the appropriate committee for discussion.
- d. If the grievance is not resolved to the vendors' satisfaction the agreement can be cancelled. All agreements contain a clause allowing the agreement to be cancelled with 60 or 90 days notice without cause.

**7.4** Yes, a link to the HGPII independent vendor grievance review process is displayed on the [Supplier section of our website.](#)

**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?

**YANKEE ALLIANCE:**

- 8.1 Vendors are encouraged to bring new and visionary technologies to Yankee Alliance’s attention as outlined in our [Supplier Expectation document](#). If Yankee Alliance feels the technology is truly new and will have a positive cost/quality impact it is presented to a member committee to determine its applicability.
- 8.2 Yes. Yankee reserves the right to enter into new contracts at any time where new technology differentiates a product/service from previous product/service categories.
- 8.2 Our “Supplier Expectations” document describes and encourages vendors to present new technologies that offer significant advantages over current technologies
- 8.3 Yes
- 8.4 Yes
- 8.5 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.

**YANKEE ALLIANCE:**

**9.1** Yankee Alliance strives to support small (S), minority (M), veteran (V), or women (W) owned suppliers. Suppliers that operate as S, M, V, or W will be so noted and considered throughout the contract award process.

**9.2** For FY10, purchasing volume from diverse suppliers represented 2% of total spend. There are 418 contracts with diverse suppliers.

**9.3**

**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?

**YANKEE ALLIANCE:**

**10.1** Yes, the [code of conduct](#) is distributed in print and is available on the Yankee Alliance website. Employees attend code of conduct training annually.

**10.2** [www.yankeealliance.com](http://www.yankeealliance.com) ([code of conduct](#))

**10.3 – 10.4** Both our advisory committees and board receive the code of conduct annually along with our annual conflict of interest statement. It is also available electronically.

**10.5-10.6** Not in print; it is available electronically

**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.

**YANKEE ALLIANCE:**

11.1 Yes

11.2 All employees receive and sign an acknowledgement that they have reviewed our “Ethics at Work” document that includes our code of conduct. Annually all employees receive a refresher training on the code of conduct.

**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.

**YANKEE ALLIANCE:**

12.1 All employees

12.2 All employees receive training in classroom, in-person sessions. Content includes applicable laws and expectations regarding business ethics and the code of conduct, including whistleblower regulations.

**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?

**YANKEE ALLIANCE:**

13.1 Yes, reports can be made to the Compliance Officer or board chairman directly.

13.2 Reports can be made via email, telephone, or anonymously directly to the Compliance Officer. The confidentiality of the reporting employee is emphasized in the annual training that all employees receive annually.

**13.3** Reports are investigated promptly, discreetly, and professionally. Employees are instructed to make reports directly to the Compliance Officer to ensure that they are protected against retaliation. In the event that the report concerns the Compliance Officer, employees are instructed to contact the chairman of the board.

**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.

**YANKEE ALLIANCE:**

**14.1** The Compliance Officer is responsible for monitoring compliance throughout the organization and for conducting investigations of reports of non-compliance. A database to track compliance, inquiries and investigations has been established. The Compliance Officer takes any necessary corrective and preventive measures to ensure compliance. Activity is reported to the board of directors annually.

**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.

**YANKEE ALLIANCE:**

**15.1-2** All employees receive performance reviews annually. The evaluation tool identifies the level of proficiency for core competencies, including adherence to code of conduct and business ethics. Development plans are geared toward improving any area which is ranked as less than Fully Competent.

**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)?

**YANKEE ALLIANCE:**

**16.1 – 3** As HGPII produces the annual public accountability questionnaire each year our Compliance Officer, Senior Vice President, Supply Chain Services and CEO review Yankee Alliance's process and tools to insure they meet the standard set by the industry.

**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.

**YANKEE ALLIANCE:**

**17.1** Three people attended the Best Practices Forum in Washington, DC in March, 2010.

**17.2** James Oliver, President & CEO  
(with Jody Daniels, SVP, Corporate Services and  
Thomas Wright, SVP, Supply Chain Services)

**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?

**YANKEE ALLIANCE:**

**18.1** Annually a report will be given to the board by the Compliance Officer providing an update on the compliance program.

**18.2** As a new member of the initiative, the plan is to have the CEO present a summary of the January meeting to the board.

**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.

**YANKEE ALLIANCE:**

**19.1** Jody Daniels, Senior Vice President, Corporate Services

**19.2** Yankee Alliance, 138 River Road, Andover, MA 01810 | 978-470-2000 | [jdaniels@yankeealliance.com](mailto:jdaniels@yankeealliance.com)

**19.3** Jody Daniels – Senior Vice President, Corporate Services  
Tom Wright – Senior Vice President, Supply Chain Services