

Title:	Relationship to Vendors	Page: 1 of 4
Policy No:	2 MRMPRO 607	Effective Date: 01/19/2006501

**OBJECTIVE**

To establish a procedure for communicating with vendors, defining guidelines for vendor activities, and identifying vendor disciplinary actions for infractions of DMC policies.

To provide vendors with information necessary in order to conduct business with Detroit Medical Center facilities, including the controls used in maintaining Detroit Medical Center Policies.

**SCOPE**

Detroit Medical Center personnel and its vendors (non-pharmaceutical). All Pharmaceutical Vendor Representatives will abide by the Pharmacy Policy #MED209, Pharmaceutical Representatives.

**DEFINITIONS**

1. **Vendor Representative:** Includes all salespersons, representatives, or other employees of manufacturers, distributors, suppliers, and service organizations, intended for use or purchase by the Detroit Medical Center.

**POLICY**

- All Vendor Representatives must wear a DMC Vendor Pass when conducting business at DMC facilities. For off-site ambulatory facilities and physician practices where Vendor Passes are not available, the Vendor Representative must clearly wear an identification badge from their respective company.
- All Vendor Representatives must have a prescheduled appointment with the specific individual at the facility where they are conducting business.
- All Vendor Representatives will coordinate the presentation of new products and services through the appropriate Contract Administrator or Buyer within the DMC Materials Resource Management Purchasing Department, or will notify the appropriate Contract Administrator or Buyer of specific inquiries/requests made by other DMC representatives. All Vendor Representatives may only promote medical devices for FDA approved indications, unless they have received approval from the WSUHC (Wayne State University Human Investigation Committee).
- All service technicians, construction workers, and other non-DMC persons providing services will report to the respective hospital's Facility, Engineering, and Construction Department, as appropriate. All will abide by Facility Engineering and Construction's policies regarding identification badges, and logging into and out of the department for time tracking purposes.
- Facility Engineering and Construction Department will schedule orientation with all contracted vendors performing services on DMC premises. Orientation records will be maintained by the Facility Engineering and Construction Department.
- All contracted vendors performing services on DMC premises must provide documentation as appropriate with regard to the service including licenses, certificates of insurance, etc.
- Invoices for products shipped to any DMC entity without a bona fide Purchase Order from the Purchasing department will not be paid.
- At no time will a vendor in an operating room or in an invasive procedure suite be allowed to "scrub in" on a case, touch a patient, manipulate a device while on a patient, operate any equipment during a procedure, or open sterile packages in the sterile field.

**PROVISIONS**

1. All Vendor Representatives must abide by the following guidelines while visiting or conducting business at the Detroit Medical Center.
  - a. All Vendor Representatives will conduct business at the DMC on a scheduled appointment basis only.
  - b. Upon entering a DMC facility, all Vendor Representatives must obtain a Vendor Pass from the front Information Desk or designated area.

Title:	Relationship to Vendors	Page: 2 of 4
Policy No:	2 MRMPRO 607	Effective Date: 01/19/2006501

- c. If the Vendor Representative has another appointment within the DMC Central Campus, he/she must obtain another Vendor Pass from the specific facility's Information Desk or designated area.
2. Vendor Requirements for Conduct in the Operating Room and Invasive Procedure Suites Vendor Requirements for Conduct in the Operating Room and Invasive Procedure Suites Purchasing will obtain the signature of the Vendor Representative and their management on the Vendor Representative Letter of Understanding acknowledging that they have received a copy of the Relationship to Vendor Policy & Procedure, and maintain on file (see Attachment 1).
3. Purchasing Staff will provide vendors with the following information:
  - a. Purchasing Hours
  - b. DMC Policy: 1 CG015 "Ethics of Business Conduct"
  - c. Vendor's role
    - i. Product evaluation
    - ii. Contact with Hospital personnel
    - iii. Bids and proposals
    - iv. Service levels
    - v. Solicitation
    - vi. Gratuities
  - d. Handling of Purchase Orders and Invoices
  - e. Statement of Group Purchasing activity (Attachment #3)
  - f. Statement on minority vendors (see DMC Policy 1 CG 035) (Attachment #6)
  - g. Contractor environmental briefing (Attachment #5)
  - h. Vendor/Supplier Disclosure Form Attachment #4)
  - i. Vendor Orientation to be performed by Facility Engineering and Construction
4. Purchasing will explain the contravention of Detroit Medical Center policies that will result in disciplinary action against a vendor
  - a. Minor infractions
    - i. Failure to obtain and/or wear a vendor's pass
    - ii. Calling and/or visiting Detroit Medical Center personnel whom have no expressed interest in their products, services, or capital equipment.
    - iii. Accessing DMC facilities to conduct business without a scheduled appointment or prior authorization from the respective Department or Purchasing. A vendor pass must still be obtained.
    - iv. Failure to obtain a Purchase Order number before shipping products, services, and/or capital equipment into Detroit Medical Center, this includes items for trial and evaluation purposes.
    - v. Failure to maintain service levels
      - a) Shortages on a consistent basis
      - b) Over-shipments on a consistent basis
      - c) In-services inadequate
      - d) Catalogs and price lists not current
      - e) Communication lines not maintained
      - f) Vendor representatives non-responsive to hospital needs
      - g) Shipping products to wrong locations
    - vi. Failure to honor prices quoted.
    - vii. Failure to provide resources and necessary documentation to maintain account in good standing.
      - a) Failure to provide invoices, copies of invoices, or Proof of Delivery, upon request.
      - b) Failure to reconcile outstanding account issues within 90 days of invoice date.
      - c) Unauthorized use of credits to offset open invoices.
  - b. Major infractions
    - i. Failure to ship the specified product, service, or capital
    - ii. Failure to go through Purchasing i.e. back-door selling tactics
    - iii. Failure to provide adequate safeguarding of protected health information
    - iv. Offering unethical inducements to Detroit Medical Center personnel
    - v. Failure to notify Purchasing of product recalls.
    - vi. Harassment of Detroit Medical Center personnel, i.e. inappropriate language and/or physical actions.
    - vii. Failure to adhere to DMC "Ethics of Business Conduct" policy 1 CG015.
    - viii. Failure to respond to disciplinary action for Items 4, a. and b. above.

Title:	Relationship to Vendors	Page: 3 of 4
Policy No:	2 MRMPRO 607	Effective Date: 01/19/2006501

- c. Pursuant to the Health Insurance Portability & Accountability Act (HIPAA), the Detroit Medical Center prohibits the use or disclosure of protected health information of its patients without a valid authorization, or unless that use or disclosure is otherwise permissible. Therefore, to the extent any DMC vendor comes in legitimate contact with a patient's protected health information, he/she is prohibited from any use or disclosure of that information which is inconsistent with this, or any other DMC policy, or as prohibited by state and federal law. The DMC shall, in its sole discretion, determine what constitutes a valid authorization, or what is, or is not otherwise permissible should a conflict arise between the DMC and one of its vendors.
5. The progressive steps in the disciplinary action process will be waived by the Corporate Vice President, Materials Resource Management, if the vendor commits a major infraction, i.e. endangering patient care, threatening bodily harm to a DMC employee.
6. The Corporate Vice President, Materials Resource Management, in consultation with the Executive Vice President/Chief Operating Officer, is solely responsible for terminating business relationships with vendors.
7. Purchasing will inform all vendor representatives to contact the Department of Development, and appropriate administrative personnel, if they have questions concerning who is authorized to solicit private funds for projects and research grants.
8. The Corporate Director, Purchasing, will forward names of vendor representatives to the DMC Corporate Office of Development for the purpose of soliciting private funds. This is the only responsibility Purchasing has in the process of soliciting private funds.
9. The vendor is responsible for requesting clarification of any information he/she does not understand.
  - a. The Contract Administrator or the Buyer of a vendor representative's commodity is responsible for responding to the vendor representative's questions.
  - b. The Corporate Director, Purchasing, will provide further clarification, if required.
10. A vendor representative will provide to Purchasing the necessary data to maintain a current Vendor Profile.
11. Purchasing will review the performance of all vendors and initiate the following disciplinary actions if applicable:
  - a. Minor Infractions
    - i. For first occurrence, a documented oral consultation of vendor representative by the Buyer of the commodity.
    - ii. For second occurrence, call to vendor representative's immediate manager from Corporate Director, Purchasing.
    - iii. For third occurrence, letter to vendor district/regional manager from Corporate Vice President, Materials Resource Management, to arrange a meeting to discuss the issues.
  - b. Major Infractions
    - i. For first occurrence, a documented oral consultation of vendor representative by Corporate Director, Purchasing, and a letter to vendor district / regional manager from Corporate Director, Purchasing, to arrange a meeting to discuss the issues.
    - ii. For second occurrence, letter to president of vendor company from Corporate Director, Purchasing, detailing the issues and requesting immediate resolution.
    - iii. Termination of relationship if the issues remain unsolved.

#### ADMINISTRATIVE RESPONSIBILITY

The Corporate Director, Purchasing, has responsibility for overall coordination of this policy.

Should exception to this policy be required, such exception may be made by individuals in the positions designated below. Each exception is to be documented and a copy filed with the Corporate Vice President, Materials Resource Management.

Authorization for policy exceptions can be made by any of the following individuals:

President/Chief Executive Officer  
Executive Vice President/Chief Operating Officer  
Executive Vice President/Chief Financial Officer

#### APPROVAL SIGNATURE(S)

Title:	Relationship to Vendors	Page: 4 of 4
Policy No:	2 MRMPRO 607	Effective Date: 01/19/2006501

05/01/2008

---

Title: Corporate Director, Purchasing

Date

05/01/2008

---

Title: Corporate Vice-President, Materials Resource Management

Date

05/01/2008

---

Title: Executive Vice-President, Chief Operating Officer

Date

REVIEW DATE: 01/19/2009**501**

SUPERSEDES: 11/01/04, 06/13/03, 06/18/02, 02/15/02, Harper P.040 - 11/28/84