Request for Proposal
UK-1769-18
Proposal Due Date – 07/21/2017

Group Purchasing Organization (GPO) Membership
REQUEST FOR PROPOSAL (RFP)

ATTENTION: This is not an order. Read all instructions, terms and conditions carefully.

PROPOSAL NO.: UK-1769-18
RETURN ORIGINAL COPY OF PROPOSAL TO:
Issue Date: 5/25/17
Title: Group Purchasing Organization (GPO) Membership
PURCHASING DIVISION
Purchasing Officer: Paul Reister
411 S LIMESTONE
Phone: (859) 257-9300

Room 322 Peterson Service Bldg.
Lexington, Ky 40506-0005

IMPORTANT: PROPOSALS MUST BE RECEIVED BY: 7/21/17 3 P.M. LEXINGTON, KY TIME.

NOTICE OF REQUIREMENTS

1. The University’s General Terms and Conditions and Instructions to Bidders, viewable at www.uky.edu/Purchasing/terms.htm, apply to this RFP. When the RFP includes construction services, the University’s General Conditions for Construction and Instructions to Bidders, viewable at www.uky.edu/Purchasing/cophome.htm, apply to the RFP.

2. Contracts resulting from this RFP must be governed by and in accordance with the laws of the Commonwealth of Kentucky.

3. Any agreement or collusion among offerors or prospective offerors, which restrains, tends to restrain, or is reasonably calculated to restrain competition by agreement to bid at a fixed price or to refrain from offering, or otherwise, is prohibited.

4. Any person who violates any provisions of KRS 45A.325 shall be guilty of a felony and shall be punished by a fine of not less than five thousand dollars nor more than ten thousand dollars, or be imprisoned not less than one year nor more than five years, or both such fine and imprisonment. Any firm, corporation, or association who violates any of the provisions of KRS 45A.325 shall, upon conviction, be fined not less than ten thousand dollars or more than twenty thousand dollars.

AUTHENTICATION OF BID AND STATEMENT OF NON-COLLUSION AND NON-CONFLICT OF INTEREST

I hereby swear (or affirm) under the penalty for false swearing as provided by KRS 523.040:

1. That I am the offeror (if the offeror is an individual), a partner, (if the offeror is a partnership), or an officer or employee of the bidding corporation having authority to sign on its behalf (if the offeror is a corporation);

2. That the attached proposal has been arrived at by the offeror independently and has been submitted without collusion with, and without any agreement, understanding or planned common course of action with, any other Contractor of materials, supplies, equipment or services described in the RFP, designed to limit independent bidding or competition;

3. That the contents of the proposal have not been communicated by the offeror or its employees or agents to any person not an employee or agent of the offeror or its surety on any bond furnished with the proposal and will not be communicated to any such person prior to the official closing of the RFP;

4. That the offeror is legally entitled to enter into contracts with the University of Kentucky and is not in violation of any prohibited conflict of interest, including, but not limited to, those prohibited by the provisions of KRS 45A.330 to .340, and 164.390; and

5. That the offeror, and its affiliates, are duly registered with the Kentucky Department of Revenue to collect and remit the sale and use tax imposed by Chapter 139 to the extent required by Kentucky law and will remain registered for the duration of any contract award;

6. That I have fully informed myself regarding the accuracy of the statement made above.

SIGNED STATEMENT OF COMPLIANCE WITH CAMPAIGN FINANCE LAWS

In accordance with KRS45A.110 (2), the undersigned hereby swears under penalty of perjury that he/she has not knowingly violated any provision of the campaign finance laws of the Commonwealth of Kentucky and that the award of a contract to a bidder will not violate any provision of the campaign finance laws of the Commonwealth of Kentucky.

CONTRACTOR REPORT OF PRIOR VIOLATIONS OF KRS CHAPTERS 136, 139, 141, 337, 338, 341 & 342

The contractor by signing and submitting a proposal agrees as required by 45A.485 to submit final determinations of any violations of the provisions of KRS Chapters 136, 139, 141, 337, 338, 341 and 342 that have occurred in the previous five (5) years prior to the award of a contract and agrees to remain in continuous compliance with the provisions of the statutes during the duration of any contract that may be established. Final determinations of violations of these statutes must be provided to the University by the successful contractor prior to the award of a contract.

CERTIFICATION OF NON-SEGREGATED FACILITIES

The contractor, by submitting a proposal, certifies that he/she is in compliance with the Code of Federal Regulations, No. 41 CFR 60-1.8(b) that prohibits the maintaining of segregated facilities.

SIGNATURE REQUIRED: This proposal cannot be considered valid unless signed and dated by an authorized agent of the offeror. Type or print the signatory's name, title, address, phone number and fax number in the spaces provided. Offers signed by an agent are to be accompanied by evidence of his/her authority unless such evidence has been previously furnished to the issuing office.

DELIVERY TIME:

NAME OF COMPANY:

DUNS #

PROPOSAL FIRM THROUGH:

ADDRESS:

Phone/Fax:

PAYMENT TERMS:

CITY, STATE & ZIP CODE:

E-MAIL:

SHIPPING TERMS: F.O.B. DESTINATION

PREPAID AND ALLOWED

TYPED OR PRINTED NAME:

WEB ADDRESS:

FEDERAL EMPLOYER ID NO.:

SIGNATURE:

DATE:

Revised 1-5-2017
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1.0 DEFINITIONS

The term "addenda" means written or graphic instructions issued by the University of Kentucky prior to the receipt of proposals that modify or interpret the RFP documents by additions, deletions, clarifications and/or corrections.

The term "competitive negotiations" means the method authorized in the Kentucky Revised Statutes, Chapter 45A.085.

The terms "offer" or "proposal" mean the offeror's/offerors' response to this RFP.

The term "offeror" means the entity or contractor group submitting the proposal.

The term "contractor" means the entity receiving a contract award.

The term "purchasing agency" means the University of Kentucky, Purchasing Division, Room 322 Peterson Service Building, Lexington, KY 40506-0005.

The term "purchasing official" means the University of Kentucky's appointed contracting representative.

The term "responsible offeror" means a person, company or corporation that has the capability in all respects to perform fully the contract requirements and the integrity and reliability that will assure good faith performance. In determining whether an offeror is responsible, the University may evaluate various factors including (but not limited to): financial resources; experience; organization; technical qualifications; available resources; record of performance; integrity; judgment; ability to perform successfully under the terms and conditions of the contract; adversarial relationship between the offeror and the University that is so serious and compelling that it may negatively impact the work performed under this RFP; or any other cause determined to be so serious and compelling as to affect the responsibility of the offeror.

The term "solicitation" means RFP.

The term "University" means University of Kentucky.
2.0 GENERAL OVERVIEW

2.1 Intent and Scope

University of Kentucky Healthcare (UKHC) desires to transform their supply chain organization to reach top 10th percentile performance and efficiency. UKHC leadership desires to implement this improvement by leveraging increased transparency into their spend data and by developing a more integrated approach to physician engagement. They desire to pursue a near-term value capture strategy across the key spend categories including commodities, pharmaceuticals, physician preference items, and purchased services.

Through this RFP process, UKHC seeks to understand and evaluate how each GPO, based on their individual strengths, assets and vision for the future, would partner with UKHC to achieve the following objectives:

- Guaranteed best in class pricing for commodities and pharmaceuticals (including standardization and utilization capabilities)
- Autonomy to self-contract, as deemed necessary and without limitation, within select categories of spend i.e. Physician Preference Items and Purchased Services. Access to GPO contracts within these categories will be required; however UKHC utilization of these agreements will be based on the projected financial value. The right to self-contract will remain at UKHC’s discretion
- Financial value with a focused emphasis on the price paid at procurement or acquisition and aggressive administrative fee share-back models. Rebates will also be pursued, however they should be additive to the overall financial value proposition
- Access to best-in-class subject matter expertise and technical resources within targeted contracting areas and for specific UKHC initiatives; Fees to access and utilize these resources must be transparent
- Access to best-in-class analytics, reporting, tools and resources with a proven ability to capture and analyze data from disparate information systems and subsequently produce actionable information which can be effectively used by UKHC internal and/or external subject matter experts
- Ability to interview and provide input for all dedicated resources and/or subject matter experts assigned to UKHC
- Access to proven, best-in-industry centralized procurement functions (procure-to-pay models);
- Access to best-in-industry direct-to-manufacturer models and options;
- Access to a best-in-class alternate care portfolio, analytic tools, and field support resources to ensure the successful development and implementation of a UKHC alternate care strategy in order to provide the appropriate cost reduction services to the ambulatory, ancillary and physician practice markets affiliated with UKHC
UKHC is requesting responses to this Request for Proposal (RFP) to select a single Group Purchasing Organization (GPO) for the entire health care system. Our intent is to establish and develop a relationship that offers the services, resources, and tools to achieve UKHC’s mission: to be the nation’s leading public academic health care system.

Importantly, note that we are not simply seeking a traditional GPO relationship. On the contrary, UK Health Care is seeking a partner to co-develop and implement innovative, industry leading approaches to the strategic, organizational, and operational challenges facing our system. While traditional GPO services and a basic GPO portfolio with best-in-class pricing for UK Health Care’s current and future members is an assumed deliverable, UKHC will highly value applicants for their innovative capabilities and creativity in their proposed partnership structure.

UKHC is seeking the GPO that will provide the greatest value in categories including, but not limited to, the following:

- Analytics and Informatics
- Clinical Benchmarking
- Clinical and Physician Quality
- Collaboration with Other Academic Health Care Systems
- Lobbying and Government Influence
- Pharmacy
- Population Health
- Precision Medicine
- Research and Innovation
- Revenue Cycle
- Supply Chain
- Value Analysis

2.2 University Information

Since his arrival, President Eli Capilouto has set forth an ambitious agenda to extend and enhance our role as Kentucky’s land-grant and flagship research university. By focusing on infrastructure growth and improvement; creating opportunities for innovative teaching, learning, and academic excellence; fostering a robust research and creative scholarship enterprise; providing life-saving subspecialty care; empowering communities through service and outreach; and encouraging a transparent and shared dialogue about institutional priorities; the University of Kentucky will ensure a new century of promise for the people we impact.

Founded in 1865 as a land-grant institution adjacent to downtown Lexington, UK is nestled in the scenic heart of the beautiful Bluegrass Region of Kentucky. From its early beginnings, with only 190 students and 10 professors, UK’s campus now covers more than 918 acres and is home to more than 30,000 students and approximately 14,500 employees, including more than 2,300 full-time faculty. UK is one of a small number of universities in the United States that has programs in agriculture, engineering, a full complement of health colleges including medicine and pharmacy, law and fine arts on a single campus, leading to groundbreaking discoveries and unique interdisciplinary collaboration. The state’s flagship university consists of 17 academic and professional colleges where students can choose from more than 200 majors and degree programs.
at the undergraduate and graduate levels. The colleges are Agriculture, Food and Environment; Arts and Sciences; Business and Economics; Communication and Information; Dentistry; Design; Education; Engineering; Fine Arts; Graduate School; Health Sciences; Law; Medicine; Nursing; Pharmacy; Public Health; and Social Work. These colleges are supported by a modern research library system.

Research at the University of Kentucky is a dynamic enterprise encompassing both traditional scholarship and emerging technologies, and UK’s research faculty, staff and students are establishing UK as one of the nation’s most prolific public research universities. UK’s research enterprise attracted $285 million in research grants and contracts from out-of-state sources, which generated a $580 million impact on the Kentucky economy. Included in this portfolio is $153 million in federal awards from the National Institutes of Health, non-NIH grants from the Department Health and Human Services, the National Science Foundation, Department of Energy, Department of Agriculture and NASA, among others. The National Science Foundation ranks UK’s research enterprise 44th among public institutions.

With more than 50 research centers and institutes, UK researchers are discovering new knowledge, providing a rich training ground for current students and the next generation of researchers, and advancing the economic growth of the Commonwealth of Kentucky. Several centers excel in the services offered to the public. The Gluck Equine Research Center is one of only three facilities of its kind in the world, conducting research in equine diseases.

The Center for Applied Energy Research is pursuing groundbreaking discovery across the energy disciplines. CAER staff are pioneering new ways to sustainably utilize Kentucky natural resources through carbon-capture algae technology, biomass/coal to liquid products and the opening of UK’s first LEED-certified research lab to support the development of Kentucky’s growing alternative energy industry. Among the brightest examples of UK’s investment in transformative research is the Markey Cancer Center. As a center of excellence and distinction at UK, Markey’s robust research and clinical enterprise is the cornerstone of our commitment to Kentucky – fundamental to our success in uplifting lives through our endeavors and improving the general health and welfare of our state – burdened by the nation’s highest rate of cancer deaths per 100,000 people. In 2013, Markey earned the prestigious National Cancer Institute-designation (NCI) – one of 68 nationally and the only one in Kentucky.

The University of Kentucky was awarded a $20 million Clinical Translational Sciences Award (CTSA) from the National Institutes of Health (NIH). As one of only 60 institutions with this research distinction, UK was awarded the CTSA for its potential in moving research and discovery in the lab into practical field and community applications. The CTSA and NCI are part of a trifecta of federal research grants that includes an Alzheimer’s Disease Center. UK is one of only 22 universities in the country to hold all three premier grants from NIH.

Established in 1957, the medical center at UK is one of the nation’s finest academic medical centers and includes the University’s clinical enterprise, UK HealthCare. The 569-bed UK Albert B. Chandler Hospital and Kentucky Children’s Hospital, along with 256 beds at UK Good Samaritan Hospital, are supported by a growing faculty and staff providing the most advanced subspecialty care for the most critically injured and ill patients throughout the Commonwealth and beyond. Over the last several years, the number of patients served by the medical enterprise has increased from roughly 19,000 discharges to more than 36,000 discharges in 2014.

UK Chandler Hospital includes the only Level 1 Trauma Center for both adult and pediatric patients in Central and Eastern Kentucky. In addition, UK HealthCare recently opened one of the country’s
largest robotic hybrid operating rooms and the first of its kind in the region. While our new patient care pavilion is the leading healthcare facility for advanced medical procedures in the region, our talented physicians consult with and travel to our network of affiliate hospitals so Kentucky citizens can receive the best health care available close to their home and never need to leave the Bluegrass for complex subspecialty care.

UK’s agenda remains committed to accelerating the University’s movement toward academic excellence in all areas and gain worldwide recognition for its outstanding academic programs, its commitment to students, its investment in pioneering research and discovery, its success in building a diverse community and its engagement with the larger society. It is all part of the University’s fulfillment of our promise to Kentucky to position our state as a leader in American prosperity.
3.0 PROPOSAL REQUIREMENTS

3.1 Key Event Dates

<table>
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<tr>
<td>Release of RFP</td>
<td>5/25/17</td>
</tr>
<tr>
<td>Deadline for Written Questions</td>
<td>3 p.m. Lexington Time on 06/14/17</td>
</tr>
<tr>
<td>RFP Proposals Due</td>
<td>07/21/2017</td>
</tr>
<tr>
<td>Offeror Presentations*</td>
<td>Week of 08/21/2017</td>
</tr>
<tr>
<td>Contract Award*</td>
<td>10/20/2017</td>
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*projected dates

3.2 Offeror Communication

To ensure that RFP documentation and subsequent information (modifications, clarifications, addenda, Written Questions and Answers, etc.) are directed to the appropriate persons within the offeror’s firm, each offeror who intends to participate in this RFP is to provide the following information to the purchasing officer. Prompt, thorough compliance is in the best interest of the offeror. Failure to comply may result in incomplete or delayed communication of addenda or other vital information. Contact information is the responsibility of the offeror. Without the prompt information, any communication shortfall shall reside with the offeror.

- Name of primary contact
- Mailing address of primary contact
- Telephone number of primary contact
- Fax number of primary contact
- E-mail address of primary contact
- Additional contact persons with same information provided as primary contact

This information shall be transmitted via fax or e-mail to:

Mr. Paul Reister  
Purchasing Division  
University of Kentucky  
322 Peterson Service Building  
Lexington, KY 40506-0005  
E-mail: paul.reister@uky.edu

All communication with the University regarding this RFP shall only be directed to the purchasing officer listed above.
3.3 Offeror Presentations

All offerors whose proposals are judged acceptable for award may be required to make a presentation to the evaluation committee.

3.4 Preparation of Offers

The offeror is expected to follow all specifications, terms, conditions and instructions in this RFP.

The offeror will furnish all information required by this solicitation.

Proposals should be prepared simply and economically, providing a description of the offeror’s capabilities to satisfy the requirements of the solicitation. Emphasis should be on completeness and clarity of content. All documentation submitted with the proposal should be bound in the single volume except as otherwise specified.

An electronic version of the RFP, in .PDF format only, is available through the University of Kentucky Purchasing Division web site: www.uky.edu/purchasing/bidlist.htm

3.5 Proposed Deviations from the RFP

The stated requirements appearing elsewhere in this RFP shall become a part of the terms and conditions of any resulting contract. Any deviations therefrom must be specifically defined in accordance with the transmittal letter, Section 4.3 (d). If accepted by the University, the deviations shall become part of the contract, but such deviations must not be in conflict with the basic nature of this RFP.

Note: Offerors shall not submit their standard terms and conditions as exceptions to the University’s General Terms and Conditions. Each exception to the University’s General Terms and Conditions shall be individually addressed.

3.6 Proposal Submission and Deadline

Offeror must provide the following materials prior to 3 p.m. (Lexington, KY time) on the date specified in Section 3.1 and addressed to the purchasing officer listed in Section 3.2:

- **Technical Proposal:** Nine (9) copies on an electronic storage devices (CD or USB) clearly marked with the proposal number and name, firm name and what is included (Technical Proposal) and two (2) printed copies in a single package, separate from the Financial Proposal.

- **Financial Proposal:** Nine (9) copies on an electronic storage devices (CD or USB) clearly marked with the proposal number and name, firm name and what is included (Financial Proposal) and two (2) printed copies in a single package, separate from the Technical Proposal.

Note: Proposals received after the closing date and time will not be considered. In addition, proposals received via fax or e-mail are not acceptable.
The University of Kentucky accepts deliveries of RFPs Monday through Friday from 8 a.m. to 5 p.m. Lexington, KY time. However, RFPs must be received by 3 p.m. Lexington, KY time on the date specified on the RFP in order to be considered.

Proposals shall be enclosed in sealed envelopes to the above referenced address and shall show on the face of the envelope: the closing time and date specified, the solicitation number and the name and address of the offeror. The technical proposal shall be submitted in a sealed envelope and the financial proposal shall be submitted in a sealed envelope under separate cover. Both sealed envelopes shall have identical information on the cover, with the addition that one will state “Technical Information,” and the other, “Financial Proposal.”

Note: In accordance with the Kentucky Revised Statute 45A.085, there will be no public opening.

3.7 **Modification or Withdrawal of Offer**

An offer and/or modification of offer received at the office designated in the solicitation after the exact hour and date specified for receipt will not be considered.

An offer may be modified or withdrawn by written notice before the exact hour and date specified for receipt of offers. An offer also may be withdrawn in person by an offeror or an authorized representative, provided the identity of the person is made known and the person signs a receipt for the offer, but only if the withdrawal is made prior to the exact hour and date set for receipt of offers.

3.8 **Acceptance or Rejection and Award of Proposal**

The University reserves the right to accept or reject any or all proposals (or parts of proposals), to waive any informalities or technicalities, to clarify any ambiguities in proposals and (unless otherwise specified) to accept any item in the proposal. In case of error in extension or prices or other errors in calculation, the unit price shall govern. Further, the University reserves the right to make a single award, split awards, multiple awards or no award, whichever is in the best interest of the University.

3.9 **Rejection**

Grounds for the rejection of proposals include (but shall not be limited to):

- Failure of a proposal to conform to the essential requirements of the RFP.
- Imposition of conditions that would significantly modify the terms and conditions of the solicitation or limit the offeror’s liability to the University on the contract awarded on the basis of such solicitation.
- Failure of the offeror to sign the University RFP. This includes the Authentication of Proposal and Statement of Non-Collusion and Non-Conflict of Interest statements.
- Receipt of proposal after the closing date and time specified in the RFP.
3.10 **Addenda**

Any addenda or instructions issued by the purchasing agency prior to the time for receiving proposals shall become a part of this RFP. Such addenda shall be acknowledged in the proposal. No instructions or changes shall be binding unless documented by a proper and duly issued addendum.

3.11 **Disclosure of Offeror’s Response**

The RFP specifies the format, required information and general content of proposals submitted in response to this RFP. The purchasing agency will not disclose any portions of the proposals prior to contract award to anyone outside the Purchasing Division, the University’s administrative staff, representatives of the state or federal government (if required) and the members of the committee evaluating the proposals. After a contract is awarded in whole or in part, the University shall have the right to duplicate, use or disclose all proposal data submitted by offerors in response to this RFP as a matter of public record.

Any submitted proposal shall remain valid six (6) months after the proposal due date.

The University shall have the right to use all system ideas, or adaptations of those ideas, contained in any proposal received in response to this RFP. Selection or rejection of the proposal will not affect this right.

3.12 **Restrictions on Communications with University Staff**

From the issue date of this RFP until a contractor is selected and a contract award is made, offerors are not allowed to communicate about the subject of the RFP with any University administrator, faculty, staff or members of the board of trustees except: the purchasing office representative, any University purchasing official representing the University administration, others authorized in writing by the purchasing office and University representatives during offeror presentations. If violation of this provision occurs, the University reserves the right to reject the offeror’s proposal.

3.13 **Cost of Preparing Proposal**

Costs for developing the proposals and any subsequent activities prior to contract award are solely the responsibility of the offerors. The University will provide no reimbursement for such costs.

3.14 **Disposition of Proposals**

All proposals become the property of the University. The successful proposal will be incorporated into the resulting contract by reference.
3.15 **Alternate Proposals**

Offerors may submit alternate proposals. If more than one proposal is submitted, all must be complete (separate) and comply with the instructions set forth within this document. Each proposal will be evaluated on its own merits.

3.16 **Questions**

All questions should be submitted by either fax or e-mail to the purchasing officer listed in Section 3.2 no later than the date listed in Section 3.1.

3.17 **Section Titles in the RFP**

Section titles used herein are for the purpose of facilitating ease of reference only and shall not be construed to infer the construction of contractual language.

3.18 **No Contingent Fees**

No person or selling agency shall be employed or retained or given anything of monetary value to solicit or secure this contract, except bona fide employees of the offeror or bona fide established commercial or selling agencies maintained by the offeror for the purpose of securing business. For breach or violation of this provision, the University shall have the right to reject the proposal, annul the contract without liability, or, at its discretion, deduct from the contract price or otherwise recover the full amount of such commission, percentage, brokerage or contingent fee or other benefit.

3.19 **Proposal Addenda and Rules for Withdrawal**

Prior to the date specified for receipt of offers, a submitted proposal may be withdrawn by submitting a written request for its withdrawal to the University purchasing office, signed by the offeror. Unless requested by the University, the University will not accept revisions or alterations to proposals after the proposal due date.
4.0 PROPOSAL FORMAT AND CONTENT

4.1 Proposal Information and Criteria

The following list specifies the items to be addressed in the proposal. Offerors should read it carefully and address it completely and in the order listed to facilitate the University’s review of the proposal.

Proposals shall be organized into the sections identified below. The content of each section is detailed in the following pages. It is strongly suggested that offerors use the same numbers for the following content that are used in the RFP.

- Signed Authentication of Proposal and Statement of Non-Collusion and Non-Conflict of Interest Form
- Transmittal Letter
- Executive Summary and Proposal Overview
- Criteria 1 - Offeror Qualifications
- Criteria 2 - Services Defined
- Criteria 3 - Financial Proposal
- Criteria 4 - Evidence of Successful Performance and Implementation Schedule
- Criteria 5 - Other Additional Information

4.2 Signed Authentication of Proposal and Statements of Non-Collusion and Non-Conflict of Interest Form

The Offeror will sign and return the proposal cover sheet and print or type their name, firm, address, telephone number and date. The person signing the offer must initial erasures or other changes. An offer signed by an agent is to be accompanied by evidence of their authority unless such evidence has been previously furnished to the purchasing agency. The signer shall further certify that the proposal is made without collusion with any other person, persons, company or parties submitting a proposal; that it is in all respects fair and in good faith without collusion or fraud; and that the signer is authorized to bind the principal offeror.

4.3 Transmittal Letter

The Transmittal Letter accompanying the RFP shall be in the form of a standard business letter and shall be signed by an individual authorized to legally bind the offeror. It shall include:

- A statement referencing all addenda and written questions, the answers and any clarifications to this RFP issued by the University and received by the offeror (If no addenda have been received, a statement to that effect should be included.).

- A statement that the offeror’s proposal shall remain valid for six (6) months after the closing date of the receipt of the proposals.

- A statement that the offeror will accept financial responsibility for all travel expenses incurred for oral presentations (if required) and candidate interviews.
• A statement that summarizes any deviations or exceptions to the RFP requirements and includes a detailed justification for the deviation or exception.

• A statement that identifies the confidential information as described in Section 6.23.

4.4 Executive Summary and Proposal Overview

The Executive Summary and Proposal Overview shall condense and highlight the contents of the technical proposal in such a way as to provide the evaluation committee with a broad understanding of the entire proposal.

4.5 Criteria 1 - Offeror Qualifications

The purpose of the Offeror Qualifications section is to determine the ability of the offeror to respond to this RFP. Offerors must describe and offer evidence of their ability to meet each of the qualifications listed below.

1. Describe your mission, core values, strategic direction and leadership structure.
2. Describe the size and type of the membership base that utilizes the GPO as their primary GPO
3. What do you feel are your organizations leading differentiators to other GPOs?
4. Please disclose any proposed acquisition, merger, or other business change that may affect our relationship
5. Please provide your academic Healthcare system client list, including, a contact person for each client and list of your solutions that each client utilizes
6. Please provide your organizations Code of Conduct and Conflict of Interest policies.

4.6 Criteria 2 – Services Defined

Membership

• What is the size and type of membership base that utilizes your organization?
• What is the annual purchasing volume of your membership for the last three (3) years?
• What membership options are available? Please outline including all fees and equity requirements. Please provide the financial model for the various membership options offered with examples of investment and return.
• What percentage of administrative fees, and other discounts and rebates paid by distributors and manufacturers, would you share with UKHC? How do you distribute these? How do you monitor this annually? Are fees, discounts, and rebates negotiable? Please provide an example explaining the methodologies used. Please explain your mechanism for ensuring that contracted supplier’s reported sales correlate to customer purchases.
• How would you protect the equity positions that we currently hold in other GPOs? How would you assume the equity shortfalls of transferring hospitals?
• Would your membership options extend to regional affiliations, regional cooperatives, national cooperatives, hospital associations, etc. that provides aggregation opportunities for member improved pricing? If yes, please elaborate on how UKHC will be able to participate.

• Provide a list of similar healthcare providers with over $250M in annual supply spend who have transitioned to your organization from another GPO in the past 3 years. Provide up to 3 references from the list.

• What learning, development, educational, and networking opportunities are provided for your members? Do you hold regional and/or national meetings w/or w/o suppliers, Webex conferences or other opportunities? If so, what is the fee structure?

• Describe the structure of your advisory group representing hospital departments, executive leaders, pharmacy, quality, cardiovascular, supply chain, value analysis, etc.? How often do they meet and how do you utilize their recommendations? What is the eligibility of UKHC to participate?

• Provide a list of ambulatory programs, offers, and support for a growing ambulatory organization.

In accordance with Section 3.6 Submission and Deadlines all financial information shall be submitted under separate cover and included as Section 7.1 Various Membership Fees and labeled as “Membership Fees”.

Technology

• How do you supply your contract information to members including pricing, terms and conditions, contract expirations, renewals, and new contracts? Please elaborate on timeliness of updates, ease of access and your view of user friendliness.

• Do you have an electronic catalog that contains the complete contract portfolio including terms, conditions, and pricing? Is your system customizable for the individual facility? Do you display price options including calculations for distribution markup/cost minus, freight factors, or other fees? Is there a fee and if so please include the fee for accessing your GPO catalog. Describe what technology you can offer to support keeping GPO, national, regional, and local agreements in the same database?

• Can your technology drill down to our net price, vendor cost plus, tier specific and wholesaler costs of goods?

• Do you assist the members with budget projections based on its usage compared to future contract terms, market trends or raw material pricing?

• Does your contract database include cross referencing to equivalent products available in the GPO portfolio?

• Provide a detailed list of all analytic tools available for price benchmarking, opportunity analytics, strategic direction and correlation to clinical procedures and outcomes. Please include the implementation and ongoing fees.
  • What time frames are available for the various reports e.g. 12 months, 6 months, 3 months, etc.?
  • What is the lag time between receiving member’s data and availability of the reports?
  • Are the reports push, pull, or both? List the types of reports and provide examples.
Is there a licensing fee for any technological offering? If so, is there a limited number of accesses with this?

Is training provided and access provided for report production?

Provide any other information that would assist us in understanding your technology.

Please detail your current electronic commerce and EDI programs or any strategic relationships you have with EDI value added networks and what features and functions of the same you make available to members along with their costs.

What type of training will GPO use to train UKHC in utilizing enhanced systems and programs provided by GPO Contracting?

Explain your overall contracting approach, process, and philosophy. Include information about how your company handles the following factors:

- Administrative Fees and Other Supplier Charges
- Commitment Levels
- New Vendor Onboarding
- Physician Office Portfolios
- Pricing Tiers
- Private Labeling
- Product Bundling
- Rebates

Describe your programs in the following specialized contracting areas:

- Capital & Facilities (Including Imaging, Biomed, and Lab Equipment)
- Dietary/Food Service
- Environmental Services
- Laboratory
- Information Technology
  - Pharmacy Auto Substitution Program (include list drugs, strength, form, package size, package quantity, unit of measure, unit of measure price)
- Physician Preference Items

Provide a contract portfolio for your company, in a spreadsheet format, with a complete list of vendors by individual contract, contract category, contract start and expiration date, product category covered, and pricing tier descriptions.

Describe how UKHC would be involved in your vendor selection process.

How do you monitor vendor performance? What support do you provide your members in dealing with vendor performance and product quality issues?

How do you release your negotiation pipeline? How often and by what methodology? Include general timetables indicating time from completion to availability of contracts.
• Please describe your company’s viewpoint and mix on contract type? What percentage of your contracts are sole source, primary, multisource, preferred, etc.?

• Describe your company’s policies regarding failure to supply provisions for contracted pharmaceutical items and IV fluids.

• Describe your requirements regarding auto-substitution for generic products.

• Describe your program regarding specialty pharmacy services. How would you protect UKHC’s current pricing and discount levels?

• Describe your ability to notify clients of impending medication shortages.

• Provide your current practice related to direct sourcing from manufacturers; by you, through current contracts and/or your ability to provide services to guide members.

• Describe your contracting approach to physician preference items.

• What services do you provide for affiliate alternate care organizations (including physician practices or other entities listed in UKHC care areas)? Do they also have access to the same GPO pricing as the acute care member?

• How do you benchmark your contract prices to ensure market competitiveness throughout the contract term?

• Do you allow UKHC to maintain the ability to self-contract in the physician/clinical sensitive areas, without punitive or negative consequences to UKHC? At UKHC's discretion, should an applicable GPO offering be acceptable based on cost and ability to meet the clinical needs of the hospital, UKHC may use the GPO offering.

In accordance with Section 3.6 Submission and Deadlines all financial information shall be submitted under separate cover and included as Section 7.1 Various Membership Fees and labeled as “Technology Fees”.

**Distribution Contracts**

1. Med Surg Distribution Partners:
   - List all fee, freight charges & distribution mark-up %’s by distributors under contract to include but not limited; general med surg, IV fluids and accessories, custom packs and unitized systems, suture & endo-mechanicals, non-traditional.
     - Describe current contracts to include:
       - Elaborate on Low Unit of Measure (LUM) capabilities to include picking for par, min/max and Kanban stocking processes
       - Deliveries: 7 days a week 2-or more trucks a day to meet customer’s needs
       - Dedicated inside and outside sales, contracting, warehouse and invoicing representatives to assure efficient business practices.
       - Performance metrics scorecard
       - Minimal DC stock-outs and shortages
       - High fill-rates at DC
• On-time deliveries with minimal variance
• Other value added programs such as but not limited to; product evaluation assistance, new product quoting services, custom kitting options, customized receiving documents & invoices, palletization, zoning.
• Disaster scenario plans

In accordance with Section 3.6 Submission and Deadlines all financial information shall be submitted under separate cover and included as Section 7.1 Various Membership Fees and labeled as “Med Surg Distribution Partner Fees”.

2. Pharmacy Distribution Characteristics
   • Describe current contracts to include:
     ▪ Competitive COGS discount across all classes of trade and accounts including competitive specialty division discount
     ▪ Robust online ordering portal with up-to-date and accurate product information
     ▪ Performance metrics scorecard
     ▪ Explain contract pharmacy experience
     ▪ Minimal DC stock-outs and shortages
     ▪ Identify the stock out rates in the last 12 months and impact to assist UKHC
     ▪ High fill-rates at DC
     ▪ On-time deliveries with minimal variance
     ▪ Product should have a minimum of 6 month shelf life upon receipt
     ▪ Reporting capabilities and data analysis
     ▪ Quarterly review of purchasing and performance metrics with pharmacy leadership
     ▪ Savings opportunities and 340b savings reports
     ▪ Ad-hoc reports and data available upon request
     ▪ Service Support
     ▪ Specialty Pharmacy Program
     ▪ Dedicated service support for UKHC provided by distributor
     ▪ Product returns awarded full credit of purchase
     ▪ Priority consideration for drug shortages
     ▪ Ability to order from secondary wholesaler for up to 5% of purchases and for any product not stocked or unavailable from the distributor
     ▪ Offer innovative services and tools to promote better utilization and inventory management for UKHC
     ▪ Do you have a disaster plan
- Do you have unique supply chain guarantees NCI designated cancer centers?

In accordance with Section 3.6 Submission and Deadlines all financial information shall be submitted under separate cover and included as Section 7.1 Various Membership Fees and labeled as “Pharmacy Distribution Characteristics Fees”.

3. Laboratory Distribution Partners:
   - State all distribution markup % scenarios including specific manufacturer fees, freight charges, etc.
   - List of manufacturers including specialty product distribution
   - Provide delivery options by days of week, number of times per week, etc.
   - Explain palletization, zoning, customized receiving documents & invoices (provide samples)
   - Provide examples of spend and other reports related to laboratory purchases (provide samples)
   - Identify opportunities to help improve laboratory spend decisions
   - What is your philosophy of laboratory instrumentation contracting
   - What are the typical number of vendors under contract per platform
   - What are typical number of years of warranty obtained per instrument purchase
   - What are typical number of training positions obtained per instrument purchase
   - How do you support for Assay Validation:

In accordance with Section 3.6 Submission and Deadlines all financial information shall be submitted under separate cover and included as Section 7.1 Various Membership Fees and labeled as “Laboratory Distribution Partners Fees”.

4. Radiology: using same characteristics as in above for basic radiology supplies that cannot be sourced thru Pharmacy or Med Surg distribution channels
   - Competitive COGS discount across all classes of trade and accounts including competitive specialty division discount
   - Robust online ordering portal with up-to-date and accurate product information
   - Performance metrics scorecard
   - Explain contract pharmacy experience
   - Minimal DC stock-outs and shortages
   - Identify the stock out rates in the last 12 months and impact to assist UKHC
   - High fill-rates at DC
   - On-time deliveries with minimal variance
• Product should have a minimum of 6 month shelf life upon receipt
• Reporting capabilities and data analysis
• Quarterly review of purchasing and performance metrics with pharmacy leadership
• Savings opportunities and 340b savings reports
• Ad-hoc reports and data available upon request
• Service Support
• Specialty Pharmacy Program
• Dedicated service support for UKHC provided by distributor
• Product returns awarded full credit of purchase
• Priority consideration for drug shortages
• Ability to order from secondary wholesaler for up to 5% of purchases and for any product not stocked or unavailable from the distributor
• Offer innovative services and tools to promote better utilization and inventory management for UKHC
• Do you have a disaster plan
• Do you have unique supply chain guarantees NCI designated cancer centers?

In accordance with Section 3.6 Submission and Deadlines all financial information shall be submitted under separate cover and included as Section 7.1 Various Membership Fees and labeled as “Radiology Distribution Fees”.

5. Radiopharmaceutical Distribution:

In accordance with Section 3.6 Submission and Deadlines all financial information shall be submitted under separate cover and included as Section 7.1 Various Membership Fees and labeled as “Radiopharmaceutical Distribution Fees including Delivery Fees and Expedited Delivery Fees”.

6. Additionally please provide a list of all Authorized Distribution Agreements that are available to service UKHC including but not limited to:
• Med/Surg:
• Pharmacy:
• Laboratory:
• Radiology:
• Radiopharmaceutical
• Others: list
• Please note which distributors are single/sole source relationships.

• Please provide your standard terms and conditions for your vendor contracts. Please highlight the manner in which prices are protected following GPO contract execution.

• Please explain your organization’s process for auditing supplier compliance to contracted terms and conditions to include but not limited to sales tracings, prompt loading of member pricing either directly or with distributors.

• What role does your organization play in vendor recall management or product shortages? Elaborate on expectations of vendors during an active recall or shortage process including product price matching for substitutes.

• Describe your approach to minimizing drug/supply shortages. How does your organization manage supplier’s failure to supply contracted drugs/supplies? How do you assist your UKHC in mitigating impact of anticipated or unanticipated drug/supply shortage?

Diversity

• Explain how your organization defines “diverse supplier”. Describe your supplier diversity program and provide a list of diversity suppliers being used by your current customers. How do your programs align hospitals with local business communities?

• How does your company help facilitate Minority Business Enterprise (MBE), Veterans Business Enterprise (VBE), Women’s Business Enterprise (WBE), and Small Business Enterprise (SBE) purchase reporting for members? Please submit an example.

• Describe your ability to assist UKHC implement “green” programs and other environmentally friendly practices.

Transition Resources, Support, and ongoing expectations

• In the instance of a GPO conversion, what full time on site resources will be provided to UKHC and what fees are associated with this support? Will the selected GPO provide clinical support necessary for conversion of clinically sensitive items, at no cost to UKHC? Describe your onsite resources to support UKHC during the GPO conversion.

• If there is no conversion for UKHC what on site resources will be available to UKHC for support?

• Describe your implementation plan and provide a typical implementation plan task list with timeline.

• Outline in detail onsite support to be provided long term.

• Describe the process for contract renewals.

• Describe an annual guaranteed savings process.
• State resources provided for software tools (e.g., financial resources, IT assistance, software upgrades), including interfaces with distributor systems, maintenance, diagnostics, etc.

• Describe resources to provide item master maintenance and cleansing; services and fees.

• Describe training to be provided to UKHC to utilize the systems offered.

• Describe the functionality and services that are available through the website.

• Describe the proposed account management support for UKHC. List the personnel who will support and provide account management for UKHC. Please provide professional summary or resume for each person and any costs associated with the resources.

• Describe the opportunities that exist for networking and education for member health organizations.

• Discuss your plan to meet regularly with members of UKHC to discuss opportunities to maximize our relationship with your organization. Describe the types of reports and statistics review during these meetings (scorecard.) Please provide samples of these reports. How will you help us improve while considering these metrics?

• Describe any other tools, consulting services, reports, and value added programs that are offered as a part of the base program or that are provided at cost that you have yet to mention. Describe the fee structure for these services.

• What are your short and long term strategies to assist UKHC as they prepare for changes in the industry.

• What programs do you have to assist organizations with succeeding through healthcare reform including efforts around Value Based Purchasing, Hospital Acquired Conditions, Mortality Improvement, Patient Satisfaction, etc.? Are these provided at base program or an additional fee?

• What programs do you have to assist organizations with value based care delivery models (i.e., Accountable Care Organization models, bundled payments, etc.)?

• Describe your capabilities in developing clinically integrated networks and include proven models and case studies showcasing your abilities around network/clinical integration.

In accordance with Section 3.6 Submission and Deadlines all financial information shall be submitted under separate cover and included as Section 7.1 Various Membership Fees and labeled as “Transition Resources, Support, and ongoing expectations Fees”.

Solutions and Value Add Programs

• Please provide information about the programs your organization offers in support of each of the areas listed below. Your response should include, but should not be limited to, the following discussion points:

• Tools and proven methodologies you offer
- Number of clients currently using each solution and specific examples of how other AMC (similar to UKHC) are using them
- A description of challenges your clients have faced in each area and information specifically about your role in helping your clients overcome them
- A listing and summary of the SMEs in the area that would be available to UKHC and discuss opportunities for further education in the area.

Please conclude your response to each topic listed below by responding to the following prompt: given what you know about UKHC, describe your approach and recommendation for our system's improvement and growth in this area.

- Analytics and Informatics
- Clinical Benchmarking
- Clinical and Physician Quality
- Collaboration with Other Academic Health Care Systems (In Addition to Group Buys)
- Comparison to benchmark to like organizations
- Lobbying and Government Influence
- Pharmacy
- Population Health
- Precision Medicine
- Research and Innovation
- Revenue Cycle
- Supply Chain
- Value Analysis

- Describe the overall vision and scope of your company regarding performance improvement (specifically focusing on pricing, operations, and customer service.) List and describe your major product and service offerings that complement this vision. Please note any additional costs associated with these products or service offerings.
- Describe Supply Chain initiatives and methodologies your organization is utilizing to improve quality and outcomes while reducing costs (CQO).
- Discuss how you would help to facilitate disaster recovery, including vendor communication and supplies coverage.
- Describe your clinical resources and tools, including associated fees to address supply product selection, performance benchmarking, clinical resource utilization and outcomes. Describe your value analysis program services and resources including training and specific support as well as access to technology assessments and clinical based evidence.
- What types of Clinical and/or operational benchmarking does your organization conduct and/or participate in and is the information compared to national as well as a membership database?

- What, if any, fees are associated with obtaining benchmarking reports? To what extent and in what manner will UKHC be invited to participate in benchmarking studies?

- What reports / tools are available to members to assist in identifying savings opportunities and how will your team work with UKHC to prioritize opportunities and improve supply chain performance?

- What owned services and proprietary software does your organization provide for decision support, specifically for development and management of budgets, development and management of managed care contracts, and for management and analysis of service line cost and quality of care metrics? Please include how this system interfaces with disparate source systems (e.g. Patient Accounting, G/L, etc.) to acquire data.

- Describe other clinical applications / solutions you offer including associated fees to address Quality Outcomes, Physician Utilization Practices and Value Based Purchasing.

- Do you provide members with protocols for clinical best practices (wound care/pressure ulcers, central line infection avoidances, HAI’s etc.), safety practices and supply & pharmaceutical utilization improvements? Please list and elaborate on your clinical process improvement programs.

- Elaborate on the tools available to your membership which provide analysis for capital equipment, service contracts and consumable technology?

- Please describe your Capital Equipment contracting approach (preferred vendor contracts, group buys, GPO negotiation support or third party acquisition service like MEMdata, access to national databases like ECRI or MD Buyline, etc.).

- Do you have an agreement for pharmacy automated dispensing equipment and service? If so, please elaborate on discount structure for members.

- Please elaborate and define the resources your organization is prepared to dedicate to UKHC for identification, decision support and implementation of product standardization and utilization improvement opportunities throughout the term of member agreement.

- Provide information on both the internal and external account team members that would be assigned to, and have responsibility for all UKHC locations if your company’s proposal and contract are approved. Names, contact information, title/position and experience should be included.

- How does your organization assist in controlling costs of purchased services? (Please include a list of contracted national service providers (e.g. wireless/telecom, IT hardware & software, linen, equipment maintenance, professional staffing, etc.).)

- What additional “Value Added” programs and services (not already described) do you make available including consultative, that would benefit UKHC? Please limit your response to only those programs that would be appropriate for UKHC (consider UKHC scope of services) and indicate any fees associated with same
In accordance with Section 3.6 Submission and Deadlines all financial information shall be submitted under separate cover and included as Section 7.1 Various Membership Fees and labeled as “Solutions and Value Add Fees”.

Operations/Finance

- Please provide a listing of the programs, services, or products you currently provide to UKHC. Please note the current fee structure for these programs, services, or products. Please note which of these services will be provided as a part of the core program proposed or which services will be available under a fee for service fee structure.

- Please provide a listing of the programs, services, and products you currently provide that are not being used by UKHC entity. Please note which of these services will be provided as a part of the core program proposed or which services will be available under a fee for service fee structure.

- What income would UKHC generate for your organization, considering projected annual contract purchase volumes and how would that income be deployed / returned to UKHC? Elaborate

- Please elaborate on contracting programs that generate admin fees greater than safe harbors guidelines (3% or less).

- Please describe the details of any incentives, manufacturer rebates, or committed programs or product category standardization are available.

- How do you help members improve access/utilization of GPO contracts? Please elaborate (include level of field support, where reps are located and specifically what representation you are prepared to provide to UKHC).

In accordance with Section 3.6 Submission and Deadlines all financial information shall be submitted under separate cover and included as “Operations/Finance Fees including Incentives, Manufacturer Rebates, or Committed Programs”.

4.7 Criteria 3 – Financial Proposal

The Financial Summary Form shall contain the complete financial offer made to the University using the format contained in Section 7.0. All financial information must be submitted in a sealed envelope under separate cover.

4.8 Criteria 4 – Evidence of Successful Performance and Implementation Schedule

Describe the process your organization would go through to identify with the goals of UKHC and to build an effective GPO partnership based on mutual goals and incentives? How would performance improvement toward those goals be measured?

4.9 Criteria 5 – Other Additional Information
Please provide your organization’s Code of Conduct and Conflict of Interest Policies. Respondent shall allow UKHC access to financial records pertaining to GPO and its activities in order to complete our due diligence. Please provide latest financial statements, a detailed description of your GPO, and any related entities as well as the relation of those entities to you. Please include your primary source of revenue (e.g., vendor fees, consulting fees, etc.). Disclose all instances where the GPO or its officers have equity in companies who have supply contracts with the GPO? How does the GPO audit vendors for adherence to price, terms and contract compliance? How often?
5.0 EVALUATION CRITERIA PROCESS

A committee of University officials appointed by the Director of Purchasing will evaluate proposals and make a recommendation to the Director of Purchasing. The evaluation will be based upon the information provided in the proposal, additional information requested by the University for clarification, information obtained from references and independent sources and oral presentations (if requested).

The evaluation of responsive proposals shall then be completed by an evaluation team, which will determine the ranking of proposals. Proposals will be evaluated strictly in accordance with the requirements set forth in this solicitation, including any addenda that are issued. The University will award the contract to the responsible offeror whose proposal is determined to be the most advantageous to the University, taking into consideration the evaluation factors set forth in this RFP.

The evaluation of proposals will include consideration of responses to the list of criteria in Section 4.0. Offerors must specifically address all criteria in their response. Any deviations or exceptions to the specifications or requirements must be described and justified in a transmittal letter. Failure to list such exceptions or deviations in the transmittal letter may be considered sufficient reason to reject the proposal.

The relative importance of the criteria is defined below:

**Primary Criteria**

- Offeror Qualifications
- Services Defined
- Financial Proposal
- Evidence of Successful Performance and Implementation

**Secondary Criteria**

- Other Additional Services

The University will evaluate proposals as submitted and may not notify offerors of deficiencies in their responses.

Proposals must contain responses to each of the criteria, listed in Section 4 even if the offeror’s response cannot satisfy those criteria. A proposal may be rejected if it is conditional or incomplete in the judgment of the University.
6.0 SPECIAL CONDITIONS

6.1 Contract Term

The contract resulting from this RFP shall be effective for five years from the date of signature by both parties with annual renewals thereafter if mutually agreed upon in writing by both parties.

6.2 Effective Date

The effective date of the contract shall be the date upon which the parties execute it and all appropriate approvals, including that of the Commonwealth of Kentucky Government Contracts Review Committee, have been received.

6.3 Competitive Negotiation

It is the intent of the RFP to enter into competitive negotiation as authorized by KRS 45A.085.

The University will review all proposals properly submitted. However, the University reserves the right to request necessary modifications, reject all proposals, reject any proposal that does not meet mandatory requirement(s) or cancel this RFP, according to the best interests of the University.

Offeror(s) selected to participate in negotiations may be given an opportunity to submit a Best and Final Offer to the purchasing agency. All information received prior to the cut-off time will be considered part of the offeror’s Best and Final Offer.

The University also reserves the right to waive minor technicalities or irregularities in proposals providing such action is in the best interest of the University. Such waiver shall in no way modify the RFP requirements or excuse the offeror from full compliance with the RFP specifications and other contract requirements if the offeror is awarded the contract.

6.4 Appearance Before Committee

Any, all or no offerors may be requested to appear before the evaluation committee to explain their proposal and/or to respond to questions from the committee concerning the proposal. Offerors are prohibited from electronically recording these meetings. The committee reserves the right to request additional information.

6.5 Additions, Deletions or Contract Changes

The University reserves the right to add, delete, or change related items or services to the contract established from this RFP. No modification or change of any provision in the resulting contract shall be made unless such modification is mutually agreed to in writing by the contractor and the Director of Purchasing and incorporated as a written modification to the contract. Memoranda of understanding and correspondence shall not be interpreted as a modification to the contract.
6.6 **Contractor Cooperation in Related Efforts**

The University reserves the right to undertake or award other contracts for additional or related work to other entities. The contractor shall fully cooperate with such other contractors and University employees and carefully fit its work to such additional work. The contractor shall not commit or permit any act which will interfere with the performance of work by any other contractor or by University employees. This clause shall be included in the contracts of all contractors with whom this contractor will be required to cooperate. The University shall equitably enforce this clause to all contractors to prevent the imposition of unreasonable burdens on any contractor.

6.7 **Entire Agreement**

The RFP shall be incorporated into any resulting contract. The resulting contract, including the RFP and those portions of the offeror’s response accepted by the University, shall be the entire agreement between the parties.

6.8 **Governing Law**

The contractor shall conform to and observe all laws, ordinances, rules and regulations of the United States of America, Commonwealth of Kentucky and all other local governments, public authorities, boards or offices relating to the property or the improvements upon same (or the use thereof) and will not permit the same to be used for any illegal or immoral purposes, business or occupation. The resulting contract shall be governed by Kentucky law and any claim relating to this contract shall only be brought in the Franklin Circuit Court in accordance with KRS 45A.245.

6.9 **Kentucky’s Personal Information Security and Breach Investigation Procedures and Practices Act**

To the extent Company receives Personal Information as defined by and in accordance with Kentucky’s Personal Information Security and Breach Investigation Procedures and Practices Act, KRS 61.931, 61.932 and 61.933 (the “Act”), Company shall secure and protect the Personal Information by, without limitation: (i) complying with all requirements applicable to non-affiliated third parties set forth in the Act; (ii) utilizing security and breach investigation procedures that are appropriate to the nature of the Personal Information disclosed, at least as stringent as University’s and reasonably designed to protect the Personal Information from unauthorized access, use, modification, disclosure, manipulation, or destruction; (iii) notifying University of a security breach relating to Personal Information in the possession of Company or its agents or subcontractors within seventy-two (72) hours of discovery of an actual or suspected breach unless the exception set forth in KRS 61.932(2)(b)2 applies and Company abides by the requirements set forth in that exception; (iv) cooperating with University in complying with the response, mitigation, correction, investigation, and notification requirements of the Act , (v) paying all costs of notification, investigation and mitigation in the event of a security breach of Personal Information suffered by Company; and (vi) at University’s discretion and direction, handling all administrative functions associated with notification, investigation and mitigation.
6.10 Termination for Convenience

The University of Kentucky, Purchasing Division, reserves the right to terminate the resulting contract without cause with a thirty (30) day written notice. Upon receipt by the contractor of a "notice of termination," the contractor shall discontinue all services with respect to the applicable contract. The cost of any agreed upon services provided by the contractor will be calculated at the agreed upon rate prior to a "notice of termination" and a fixed fee contract will be pro-rated (as appropriate).

6.11 Termination for Non-Performance

Default

The University may terminate the resulting contract for non-performance, as determined by the University, for such causes as:

- Failing to provide satisfactory quality of service, including, failure to maintain adequate personnel, whether arising from labor disputes, or otherwise any substantial change in ownership or proprietorship of the Contractor, which in the opinion of the University is not in its best interest, or failure to comply with the terms of this contract;

- Failing to keep or perform, within the time period set forth herein, or violation of, any of the covenants, conditions, provisions or agreements herein contained;

- Adjudicating as a voluntarily bankrupt, making a transfer in fraud of its creditors, filing a petition under any section from time to time, or under any similar law or statute of the United States or any state thereof, or if an order for relief shall be entered against the Contractor in any proceeding filed by or against contractor thereunder. In the event of any such involuntary bankruptcy proceeding being instituted against the Contractor, the fact of such an involuntary petition being filed shall not be considered an event of default until sixty (60) days after filing of said petition in order that Contractor might during that sixty (60) day period have the opportunity to seek dismissal of the involuntary petition or otherwise cure said potential default; or

- Making a general assignment for the benefit of its creditors, or taking the benefit of any insolvency act, or if a permanent receiver or trustee in bankruptcy shall be appointed for the Contractor.

Demand for Assurances

In the event the University has reason to believe Contractor will be unable to perform under the Contract, it may make a demand for reasonable assurances that Contractor will be able to timely perform all obligations under the Contract. If Contractor is unable to provide such adequate assurances, then such failure shall be an event of default and grounds for termination of the Contract.

Notification

The University will provide ten (10) calendar days written notice of default. Unless arrangements are made to correct the non-performance issues to the University’s satisfaction within ten (10)
calendar days, the University may terminate the contract by giving forty-five (45) days notice, by registered or certified mail, of its intent to cancel this contract.

6.12 Funding Out

The University may terminate this contract if funds are not appropriated or are not otherwise available for the purpose of making payments without incurring any obligation for payment after the date of termination, regardless of the terms of the contract. The University shall provide the contractor thirty (30) calendar days' written notice of termination under this provision.

6.13 Prime Contractor Responsibility

Any contracts that may result from the RFP shall specify that the contractor(s) is/are solely responsible for fulfillment of the contract with the University.

6.14 Assignment and Subcontracting

The Contractor(s) may not assign or delegate its rights and obligations under any contract in whole or in part without the prior written consent of the University. Any attempted assignment or subcontracting shall be void.

6.15 Permits, Licenses, Taxes

The contractor shall procure all necessary permits and licenses and abide by all applicable laws, regulations and ordinances of all federal, state and local governments in which work under this contract is performed.

The contractor must furnish certification of authority to conduct business in the Commonwealth of Kentucky as a condition of contract award. Such registration is obtained from the Secretary of State, who will also provide the certification thereof. However, the contractor need not be registered as a prerequisite for responding to the RFP.

The contractor shall pay any sales, use, personal property and other tax arising out of this contract and the transaction contemplated hereby. Any other taxes levied upon this contract, the transaction or the equipment or services delivered pursuant hereto shall be the responsibility of the contractor.

The contractor will be required to accept liability for payment of all payroll taxes or deductions required by local and federal law including (but not limited to) old age pension, social security or annuities.

6.16 Attorneys’ Fees

In the event that either party deems it necessary to take legal action to enforce any provision of the contract and in the event that the University prevails, the contractor agrees to pay all expenses of such action including attorneys’ fees and costs at all stages of litigation.
6.17 Royalties, Patents, Copyrights and Trademarks

The Contractor shall pay all applicable royalties and license fees. If a particular process, products or device is specified in the contract documents and it is known to be subject to patent rights or copyrights, the existence of such rights shall be disclosed in the contract documents and the Contractor is responsible for payment of all associated royalties. To the fullest extent permitted by law the Contractor shall indemnify, hold the University harmless, and defend all suits, claims, losses, damages or liability resulting from any infringement of patent, copyright, and trademark rights resulting from the incorporation in the Work or device specified in the Contract Documents.

Unless provided otherwise in the contract, the Contractor shall not use the University’s name nor any of its trademarks or copyrights, although it may state that it has a Contract with the University.

6.18 Indemnification

The contractor shall indemnify, hold and save harmless the University, its affiliates and subsidiaries and their officers, agents and employees from losses, claims, suits, actions, expenses, damages, costs (including court costs and attorneys’ fees of the University’s attorneys), all liability of any nature or kind arising out of or relating to the Contractor’s response to this RFP or its performance or failure to perform under the contract awarded from this RFP. This clause shall survive termination for as long as necessary to protect the University.

6.19 Insurance

The successful Contractor shall procure and maintain, at its expense, the following minimum insurance coverages insuring all services, work activities and contractual obligations undertaken in this contract. These insurance policies must be with insurers acceptable to the University.

<table>
<thead>
<tr>
<th>COVERAGES</th>
<th>LIMITS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workers’ Compensation</td>
<td>Statutory Requirements (Kentucky)</td>
</tr>
<tr>
<td>Employer’s Liability</td>
<td>$500,000/$500,000/$500,000</td>
</tr>
<tr>
<td>Commercial General Liability including</td>
<td>$2,000,000 each occurrence</td>
</tr>
<tr>
<td>operations/completed operations, products and</td>
<td>(BI &amp; PD combined) $2,000,000 Products</td>
</tr>
<tr>
<td>contractual liability (including defense and</td>
<td>and Completed Operations Aggregate</td>
</tr>
<tr>
<td>investigation costs), and this contract</td>
<td></td>
</tr>
<tr>
<td>Business Automobile Liability covering owned,</td>
<td>$1,000,000 each occurrence</td>
</tr>
<tr>
<td>leased, or non-owned autos</td>
<td>(BI &amp; PD combined)</td>
</tr>
<tr>
<td>Professional Liability (E &amp; O)</td>
<td>$1M each occurrence</td>
</tr>
</tbody>
</table>

The successful contractor agrees to furnish Certificates of Insurance for the above described coverages and limits to the University of Kentucky, Purchasing Division. The University, its trustees and employees must be added as additional insured on the Commercial General Liability policy with regard to the scope of this solicitation. Any deductibles or self-insured retention in the above-described policies must be paid and are the sole responsibility of the contractor. Coverage is to be primary and non-contributory with other coverage (if any) purchased by the University. All of these
required policies must include a Waiver of Subrogation (except Workers’ Compensation) in favor of the University, its trustees and employees.

6.20 **Method of Award**

It is the intent of the University to award a contract to the qualified offeror whose offer, conforming to the conditions and requirements of the RFP, is determined to be the most advantageous to the University, cost and other factors considered.

Notwithstanding the above, this RFP does not commit the University to award a contract from this solicitation. The University reserves the right to reject any or all offers and to waive formalities and minor irregularities in the proposal received.

6.21 **Reciprocal Preference**

In accordance with KRS 45A.494, a resident offeror of the Commonwealth of Kentucky shall be given a preference against a nonresident offeror. In evaluating proposals, the University will apply a reciprocal preference against an offeror submitting a proposal from a state that grants residency preference equal to the preference given by the state of the nonresident offeror. Residency and non-residency shall be defined in accordance with KRS 45A.494(2) and 45A.494(3), respectively. Any offeror claiming Kentucky residency status shall submit with its proposal a notarized affidavit affirming that it meets the criteria as set forth in the above reference statute.

6.22 **Reports and Auditing**

The University, or its duly authorized representatives, shall have access to any books, documents, papers, records or other evidence which are directly pertinent to this contract for the purpose of financial audit or program review.

6.23 **Confidentiality**

The University recognizes an offeror’s possible interest in preserving selected information and data included in the proposal; however, the University must treat such information and data as required by the Kentucky Open Records Act, KRS 61.870, et seq.

Information areas which normally might be considered proprietary, and therefore confidential, shall be limited to individual personnel data, customer references, formulae and company financial audits which, if disclosed, would permit an unfair advantage to competitors. If a proposal contains information in these areas and the offeror declares them to be proprietary in nature and not available for public disclosure, the offeror shall declare in the Transmittal Letter the inclusion of proprietary information and shall noticeably label as confidential or proprietary each sheet containing such information. Proposals containing information declared by the offeror to be proprietary or confidential, either wholly or in part, outside the areas listed above may be deemed non-responsive and may be rejected.
The University's General Counsel shall review each offeror's information claimed to be confidential and, in consultation with the offeror (if needed), make a final determination as to whether or not the confidential or proprietary nature of the information or data complies with the Kentucky Open Records Act.

6.24 **Conflict of Interest**

This Request for Proposal and resulting Contract are subject to provisions of the Kentucky Revised Statutes regarding conflict of interest and the University of Kentucky's Ethical Principles and Code of Conduct ([www.uky.edu/Legal/ethicscode.htm](http://www.uky.edu/Legal/ethicscode.htm)). When submitting and signing a proposal, an offeror is certifying that no actual, apparent or potential conflict of interest exists between the interests of the University and the interests of the offeror. A conflict of interest (whether contractual, financial, organizational or otherwise) exists when any individual, contractor or subcontractor has a direct or indirect interest because of a financial or pecuniary interest, gift or other activities or relationships with other persons (including business, familial or household relationships) and is thus unable to render or is impeded from rendering impartial assistance or advice, has impaired objectivity in performing the proposed work or has an unfair competitive advantage.

Questions concerning this section or interpretation of this section should be directed to the University purchasing officer identified in this RFP.

6.25 **Extending Contract**

The offeror's response to this RFP must state whether or not the offeror will permit the use of this contract by other Universities, state agencies, public and private institutions in the Commonwealth of Kentucky. An answer to this issue must be submitted within the response.

6.26 **Personal Service Contract Policies**

Pursuant to the Kentucky Model Procurement Code (Code), the Government Contract Review Committee (GCRC) of the Kentucky General Assembly may establish policies that govern personal service contracts. Under the Code, a personal service contract is an agreement whereby an individual, firm, partnership or corporation is to perform certain services requiring professional skill or professional judgment for a specified period of time at an agreed upon price.

**A. Professional Service Rate Schedules:**

The GCRC has established rate schedules for certain professional services and may impact any contract established under the Code. These rate schedules are located on the GCRC website at [www.lrc.ky.gov/statcomm/Contracts/homepage.htm](http://www.lrc.ky.gov/statcomm/Contracts/homepage.htm).

**B. Invoicing of Personal Service Contracts:**

The Kentucky Model Procurement Code was recently amended to establish conditions for invoicing for fees for personal service contracts. It states, “No payment shall be made on any personal service contract unless the individual, firm, partnership, or corporation awarded the personal service contract submits its invoice on a form established by the committee.” The Government Contract Review
Committee has adopted a personal service contract invoice form that must be submitted as a condition of payment. A copy of the form is located on the GCRC website at www.lrc.ky.gov/statcomm/contracts/PSC%20INVOICE%20form.pdf.

6.27 **Copyright Ownership and Title to Designs and Copy**

The contractor and University intend this RFP to result in a contract for services, and both consider the products and results of the services to be rendered by the contractor hereunder to be a work made for hire. The contractor acknowledges and agrees that the work and all rights therein, including (without limitation) copyright, belongs to and shall be the sole and exclusive property of the University. For any work that is not considered a work made for hire under applicable law, title and copyright ownership shall be assigned to the University.

Title to all dies, type, cuts, artwork, negatives, positives, color separations, progressive proofs, plates, copy and any other requirement not stated herein required for completion of the finished product for use in connection with any University job shall be the property of and owned by the University. Such items shall be returned to the appropriate department upon completion and/or delivery of work unless otherwise authorized by the University. In the event that time of return is not specified, the contractor shall return all such items to the appropriate University department within one week of delivery.

6.28 **University Graphic Standards**

The contractor must adhere to all University of Kentucky Graphics Standards. University Graphics Standards are maintained by the University Public Relations Office (UKPR) and can be viewed at www.uky.edu/graphics/. Non-adherence to the standards can have a penalty up to and including contract cancellation. Only the UKPR Director or designee can approve exceptions to the University standards.

6.29 **HIPAA/BAA**

Contractor will be required to comply with Health Insurance Portability and Accountability Act of 1996 (HIPPA). The University of Kentucky Business Associate Agreement (Attachment A) will become an integral part of any agreement.
7.0 FINANCIAL OFFER SUMMARY

Offerors shall provide a detailed financial offer under separate sealed envelope as described below.

7.1 Various Membership Fees

Provide a detailed explanation of all inclusive membership fees related to those identified throughout Section 4.6 of the RFP as follows:

- Membership Fees
- Technology Fees
- Med Surg Distribution Partner Fees
- Pharmacy Distribution Characteristics Fees
- Laboratory Distribution Fees
- Radiology Fees
- Radiopharmaceutical Distribution Fees including Delivery and Expedited Delivery Fees
- Transition Resources Support and Ongoing Expectation Fees
- Solutions and Value Added Fees
- Operations/Finance Fees including Incentives, Manufacturer Rebates, or Committed Programs

Identify any other fees that are not identified above.

7.2 Market Basket

The purpose of this section is to evaluate your proposed pricing. Attached is an Excel file with one tab including medical/surgical spend supply items and another for pharmacy items. Additional tabs identify annual UKHC spend by category and manufacturer.

The market basket pricing submitted must be at the line-item level and include best available pricing for UKHC (and commitment levels required, if applicable) and be exclusive of any rebates or other incentives. The pricing submitted for UKHC shall be that for which GPO administrative fees are earned and a share-back is provided. Any information regarding rebates or incentives may be submitted in the appropriate column and must include the detail for eligibility in the comments section. Do not include any distribution markups or cost minus in the pricing submitted.

- Additional Instructions:
  - Please complete all relevant columns.
  - On the Med/Surg Market Basket, please provide appropriate GPO pricing only at the tier levels UKHC currently qualifies.
  - On the Pharmacy Market Basket, please provide GPO Acute Care Pricing (prior to wholesaler discount) only at the tier levels UKHC currently qualifies. Do not include 340B or DSH pricing. Rebates and generic equivalent package sizes should be included in the notes.
  - Indicate the tier level and commitment requirements for all provided pricing. Do not include any locally negotiated tiers, regional tiers, or any targeted future prices.
• All pricing provided should be based as of July 1st, 2017.
• Substitute products may only be used when exact matches are not available. If a substitute product is proposed, please identify with a “Yes” in the column titled “Substitute”.
• Please state all assumptions for the pricing provided.
• Additional instructions are included in the Excel Spreadsheet.

7.3 **Financial Model Summary**

Utilizing the spreadsheet entitled UKHC GPO Deal Model Summary, provide summary of all financial aspects of the proposed offer. Add additional rows if required to ensure that all financial aspects of the offer are included.