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| <b>TITLE: HPG MWBE Guidelines</b>    | <b>POLICY DESCRIPTION: MWBE/Prime Partnering Opportunities - Guidelines</b> |
| <b>PAGE: 1 of 2</b>                  | <b>TYPE: National Agreements</b>  |
| <b>EFFECTIVE DATE: March 1, 2006</b> | <b>REFERENCE NUMBER: HPG.016</b>  |

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| <p><b>SCOPE:</b> All HPG Colleagues in all HPG Departments.</p>  |
| <p><b>PURPOSE:</b> To establish uniform guidelines related to the prime source partnering for recognized MWBE's and the opportunities that will be considered.</p>   |
| <p><b>POLICY:</b> HPG's Supplier Diversity Program is committed to assisting minority- and women-owned business enterprises (MWBEs) build sustainable businesses that contribute to the economic health of their community. To date, we have relied heavily on our direct and subcontract models to fulfill this commitment. Through MWBEs/prime suppliers' relationships, creative MWBE growth proposals are being presented which involves our prime supplier in a different role.</p> <p>While HPG welcomes our prime suppliers support, we must ensure that these proposed partnering opportunities are aligned with the goals of the program and bring long-term value to the MWBE. Working with HPG's National Agreements team, it will be the responsibility of the supplier diversity team to carefully evaluate the merits of each proposal and render an "approve" or "disapprove" decision prior to the start of the sourcing process.</p> <p>The intent is to offer some general guidelines as to the types of prime assisted opportunities that meet the spirit of our supplier diversity program. These are guidelines only and the final decision will be made on a case by case basis.</p> |
| <p><b>EXCEPTIONS:</b></p>  |
| <p><b>DEFINITIONS:</b> Please refer to Definitions section in policy HPG.008 for applicable terms used in this policy.</p> <p><b>Prime Supplier</b> – refers to a contracted supplier of HPG.</p>  |
| <p><b>PROCEDURE:</b></p> <p>MWBEs should follow the steps below when pursuing a partnering opportunity:</p> <ol style="list-style-type: none"> <li>1. Notify supplier diversity team of potential MWBE/prime partnering opportunity.</li> <li>2. On direction of supplier diversity team, forward product samples to Clinical Operations. Clinical Operations will determine if product is to go through normal clinical review process.</li> <li>3. Submit written proposal to the program's VP–Supplier Diversity, signed by an executive of each company. Some factors that will be considered are; MWBE status with HPG, capacity to grow, product labeling and stocking, contract status, competition, patents and prior MWBE/prime relationship.</li> <li>4. Supplier diversity team will notify MWBE of "approved" or "disapproved" decision.</li> <li>5. Upon approval only, the MWBE and prime will be allowed to participate in advisory board meetings, field product evaluation and inclusion into RFP process.</li> </ol>   |

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**PARTNERING OPPORTUNITIES THAT WILL BE CONSIDERED:**

- A. Prime supplier makes unconditional written request to HPG’s VP–National Agreements authorizing HPG to assign its contracted business to MWBE. If MWBE intends to use a different product as part of assignment, the new product must go through the normal clinical review process.
- B. Prime supplier affords MWBE unconditional and unrestricted access to its source prior to start of contract. HPG’s supplier diversity team will develop a customized timetable based on complexity of product.
- C. Standard joint venture – MWBE and prime supplier create a legal agreement to pursue opportunities with MWBE ownership of 51% or greater. The diversity team will verify ownership status.
- D. Under a mentor relationship where control (manufacturing and expertise) resides with prime supplier. Prime supplier agrees unconditionally to develop a strategy that will achieve MWBE ownership of 51% or greater within contract term.

**PARTNERING OPPORTUNITIES THAT WILL NOT BE CONSIDERED:**

- A. MWBE does not contribute any real production value beyond private labeling to the sourcing process. HPG’s supplier diversity team reserves the right to determine if production value is real or not.

**REFERENCES:**

HPG.008 Contract Process Policy

**NOTE:**

A copy of this policy will be maintained on the HPG public website. If you are a contracted vendor with HPG, please contact your applicable HPG Contract Manager if you have questions about this policy. If you are a bidder and have a question related to the process, please first complete and submit the on-line [Prospective Vendor Request Form](#) located under the “Supplier” tab of HPG’s website.