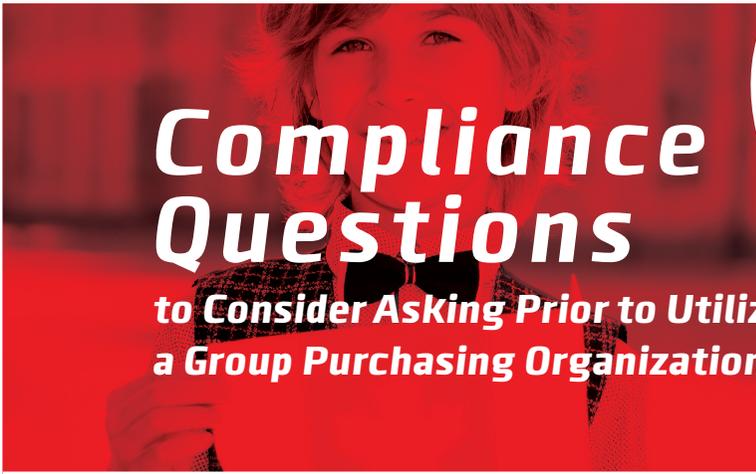


SIMPLIFY. SAVE. COMPLY.



Compliance Questions

to Consider Asking Prior to Utilizing a Group Purchasing Organization



Without compliance, nothing else matters. At Kinetic GPO, compliance is our top priority. That's why we work with compliance, legal and contract experts. We make sure that our agreements are fair, open, and transparent, as required by the Canadian Fair Trade Agreement (CFTA). Furthermore, we invest in outside expertise to ensure that we comply with national and regional trade agreements. When you become member of a Group Purchasing Organization (GPO), here are several questions to consider regarding compliance.

1

Does your organization allow Group Purchasing agreements?

Before you partner with a Group Purchasing Organization (GPO), it's important to review your internal guidelines to make sure they allow for a GPO agreement. If they do allow the use of a GPO, review your policies and procedures so that you can ensure that the GPO follows them too.

2

How does the GPO stay updated on compliance?

Regional trade agreements are often updated. For example, an update in Ontario encouraged agencies to leverage shared service organizations such as GPOs, but at the same time added several compliance terms. Kinetic stays up to date on all of these trade agreements and processes to ensure ongoing compliance. We are committed to being good stewards to broader public sector and non-profit entities.

3

How can the GPO help drive compliance?

Does the GPO have a staff member or team available to answer questions? Do they have former procurement officials on staff or hire outside experts? Best practices require that a GPO has access to expertise to understand the nuances and challenges of group purchasing. Kinetic GPO has several former broader public sector leaders as part of our team. This includes former procurement directors, as well as legal.

4

What are the costs of joining a GPO?

Make sure you understand the costs involved in hiring a GPO. Some require membership fees or minimum purchasing agreements. Kinetic is free to join. We also do not have minimum volume requirements. You can use us for a one-time purchase or for all your needs in a specific category.

5

Is the contracting process fair, open and transparent, as required by the CFTA?

Review the contract to understand the breadth of products offered and how updates to the catalog are included. Is the contract written in a way that is fair, open, and transparent? Does one side benefit more from the contract? Kinetic partnered with top contract experts in Canada to draft our policies and procedures. We've made substantial investments in our templates to ensure they are compliant and beneficial to our clients. Some GPOs charge those experts' fees to the public-sector entity, but we absorb that cost to ensure we have best-in-class templates. All Kinetic policies and procedures are publicly available via our website at www.KineticGPO.ca.

6

Does the Group Purchasing Organization offer debriefings to unsuccessful suppliers?

Supplier debriefings should provide the following:

- Overview of the purpose of the debriefing.
- Explanation of the procurement process.
- Overview of the evaluation matrix.
- The unsuccessful supplier's average score in each of the published evaluation criteria.
- A review of the proposal's strengths and weaknesses.

Kinetic's contracting team offers debriefing sessions, that includes the above criteria, to any unsuccessful supplier.

7

Where does the GPO post RFX opportunities and post award information?

Kinetic posts RFX opportunities on Merx, Biddingo, and Bonfire. Each of these sites are updated with award information once the evaluation process is complete and a contract signed.

8

How is the contract managed?

Is the contract static or will it be enhanced over the life of the contract? Is the GPO involved in discussions with the leadership of the supplier partners? Can the GPO help if concerns arise with a supplier? Kinetic is actively involved with the leadership teams of our awarded suppliers. We conduct activities such as business reviews, training sessions, joint entities visits, etc... This level of engagement with our suppliers allows us to make changes and address issues as needed. Furthermore, we provide ongoing education to ensure they are operating in compliance with the terms and conditions of the contract.

9

How many GPOs should you work with?

It's important to look at your overall strategy to determine the right mix of GPOs. Effective entities will often use multiple GPOs as a best practice. We strongly agree with this practice. That's why Kinetic GPO's contracts never limit your ability to work with other group purchasing organizations.

Additional advantages of partnering with Kinetic GPO:

- Voluntary access to our contracts, with no spend or volume commitment;
- Continuously increasing choice of a wide range of collaboratively sourced and competitively priced products and services available through our contract;
- A fair, open, and transparent procurement process to ensure compliance with Chapter 5 of the Canadian Free Trade Agreement (CFTA) and other international trade agreements, including the Canada-EU Comprehensive Economic and Trade Agreements (CETA).
- Cost-Efficient and time-saving way to meet your organization's procurement needs.