



GROUP PURCHASING PARTICIPATION AGREEMENT

This group purchasing participation agreement (the “**Participation Agreement**”) is made and entered into this _____ day of _____ 2010, by and between Illinois Primary Health Care Association, an Illinois not-for-profit corporation (“**IPHCA**”), having offices at 542 South Dearborn Street, Suite 300, Chicago, Cook County, Illinois, and _____, a _____ corporation (“**GPO Participant**”), having its offices at _____.

WITNESSETH:

WHEREAS, IPHCA is a trade association representing Illinois’ community/migrant health centers and as such is committed to the improvement of the health status of medically underserved populations throughout the state of Illinois and nationally;

WHEREAS, GPO Participant is a health center or other health care provider located in Illinois or elsewhere in the continental United States which offers multidisciplinary primary health care services to patients within its community including Medicaid and Medicare patients, the uninsured working poor as well as privately insured patients;

WHEREAS, IPHCA has developed a group purchasing program (the “**Program**”) for the common benefit of GPO Participants to enable GPO Participants to purchase goods and services from IPHCA-approved vendors at more competitive pricing than GPO Participants might otherwise be able to obtain on an individual basis;

WHEREAS, in order to make the Program available to GPO Participants, IPHCA is required by law to enter into a written agreement with each GPO Participant desiring to participate in the Program to enable IPHCA to qualify and operate as a group purchasing organization (“**GPO**”);

WHEREAS, GPO Participant wishes to participate in IPHCA’s Program on the terms and conditions set forth in this Participation Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties hereto, it is hereby agreed as follows:



I. IPHCA AGREES:

- A. On behalf of each GPO Participant executing a Participation Agreement, to utilize its best efforts to negotiate on their behalf with specified vendors for preferred pricing, and other group benefits.

- B. To notify GPO Participants of all IPHCA-approved vendors and the potential corresponding benefits of utilizing such vendors so that each GPO Participant will have the opportunity to determine for itself whether or not to purchase goods or services from each such vendor.

- C. To provide administrative follow-up services with GPO Participants to determine their level of satisfaction with vendors, and to implement any corresponding action that may be required, including without limitation, the discontinuation or replacement of any vendor.

- D. To disclose in writing to GPO Participants at least annually, and to the Secretary of the Department of Health and Human Services upon request, the amount received by IPHCA from each vendor with respect to purchases made by or on behalf of each GPO Participant.

II. GPO PARTICIPANT AGREES:

- A. To participate in the Program on the terms and conditions set forth herein, and to remain a GPO Participant so long as this Participation Agreement shall be in effect.

- B. To hereby authorize IPHCA to act on its behalf as purchasing agent to select vendors and to negotiate on behalf of GPO Participant the pricing and other benefits relating to the purchase of goods and services offered by each such vendor.

- C. IPHCA, in its capacity as a GPO will receive, on its own behalf, payment of a GPO fee which will be three percent or less of the purchase price of the goods or services sold by each vendor to each GPO Participant. If the GPO fee is greater than three percent for any vendor, an amendment to this Participation Agreement will be submitted to GPO Participant for its approval stating the specific amount of the GPO fee, expressed either as a fixed sum or as a fixed percentage of the value of the purchases made from the vendor by all GPO Participants. If the amount of the GPO fee is not known at the time the amendment is signed, the amendment will state the maximum amount to be paid to IPHCA as the GPO fee by the vendor.

- D. IPHCA MAKES NO WARRANTIES IN CONNECTION WITH GOODS OR SERVICES TO BE PROVIDED HEREUNDER, WHETHER EXPRESSED OR IMPLIED, AND INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. IPHCA MAKES NO GUARANTEES AS TO PRICE DISCOUNTS, COST SAVINGS, OR LEVEL OF SATISFACTION WITH ANY VENDOR. IN NO EVENT SHALL IPHCA BE LIABLE FOR ANY DAMAGES, LOSSES OR EXPENSES INCURRED, INCLUDING WITHOUT LIMITATION ANY INDIRECT, SPECIAL, INCIDENTAL OR



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CONSEQUENTIAL DAMAGES RESULTING FROM IPHCA'S PERFORMANCE OR FAILURE TO PERFORM HEREUNDER, WHETHER DUE TO BREACH OF CONTRACT, BREACH OF WARRANTY, NEGLIGENCE, OR OTHERWISE.

III. THE PARTIES AGREE:

A. This Participation Agreement shall become effective as of _____ and shall continue in force and effect through _____ (“**Termination Date**”); provided, however, that this Participation Agreement shall be automatically renewed and extended for successive one (1) year periods to commence the day following the Termination Date, and each anniversary thereof, unless either party gives notice to the other at least ninety (90) days prior to the Termination Date, or any anniversary thereof, of its intention to terminate the Participation Agreement. No termination of the Participation Agreement shall affect the obligations of either party arising prior or subsequent to the effective date of termination.

B. GPO Participant is not wholly owned by IPHCA, nor is it a subsidiary or affiliate of a parent corporation that wholly owns IPHCA, either directly or through another wholly-owned entity. GPO Participant provides services for which payment may be made in whole or in part under Medicare or a state health care program.

C. IPHCA shall have the right, in its sole discretion, to select and approve vendors under IPHCA's Program. GPO Participant shall be solely responsible for deciding whether to do business with any IPHCA-approved vendor, and for payment to each vendor for any and all purchases made. Vendors may require GPO Participants to sign agreements with them, and GPO Participants are solely responsible for the negotiation of the terms thereof and performance there under. IPHCA shall have the right to review, and GPO Participants shall produce promptly to IPHCA upon its written request, copies of all documentation between IPHCA-approved vendors and GPO Participant.

D. Any notice which may be required to be given hereunder shall be in writing and delivered personally, or sent by registered or certified mail, return receipt requested, postage prepaid, or sent by overnight delivery by a nationally recognized air courier, such as, but not limited to, Federal Express or DHL Express, addressed to the Chief Executive Officer of the parties at the respective addresses as set forth in the preamble to this Participation Agreement. Notices mailed by registered or certified mail shall be effective three (3) business days after the date of mailing; notices sent by nationally recognized air courier shall be effective the next business day after the date of mailing.

E. In the performance of the duties and obligations imposed upon each party under this Participation Agreement, each party is and at all times acting as an independent contractor. Neither party shall have nor exercise any control or direction over the methods by which the other party shall perform their duties and obligations arising hereunder. This Participation Agreement is not, and shall not be considered, an employer-employee relationship, joint venture, or partnership of any kind, and neither party shall represent to any third persons that any such relationship exists.



F. This Participation Agreement shall be binding upon and inure to the benefit of the parties, and their respective successors, affiliates, and assigns.

G. This Participation Agreement shall be construed and interpreted in accordance with the laws of the state of Illinois and the parties agree to the exclusive jurisdiction of the state and federal courts located in Cook County, Illinois as to any dispute which may arise hereunder. This Participation Agreement may be signed in any number of counterparts, each constituting a duplicate original.

H. This Participation Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and cannot be modified, altered, or otherwise changed except by an agreement in writing signed by a duly authorized officer of each of the parties hereto.

I. Each party hereto shall provide the other with all such documents and information as the other shall reasonably request in order to perform its obligations under this Participation Agreement.

J. The provisions of this Participation Agreement shall be deemed severable, and if any portion shall be held invalid, illegal or unenforceable for any reason, the remainder of this Participation Agreement shall be effective and binding upon the parties.

K. Each individual executing this Participation Agreement on behalf of any corporation or other entity which is a party to this Participation Agreement represents and warrants that he or she is duly authorized to execute and deliver this Participation Agreement on behalf of said corporation or other entity.

L. This Participation Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, this Participation Agreement has been executed by a duly authorized officer of each party on the day and year first above written.

ILLINOIS PRIMARY HEALTH GPO Participant
CARE ASSOCIATION, an Illinois not-for-profit corporation

Entity Name: _____
By: _____
Name: _____
Title: _____

Entity Name: _____
By: _____
Name: _____
Title: _____