

**ST. LUKE'S UNIVERSITY HEALTH NETWORK  
PURCHASE ORDER TERMS AND CONDITIONS**

**Acceptance of a purchase order, a request for services, or any other offer made by St. Luke's University Health Network and/or its affiliates ("Network"), whether in writing, or by partially or completely filling the order or performing the services, constitutes acceptance by the vendor of the purchase order, request or other offer, and these terms and conditions (together, the "Agreement"). Offers and purchase orders made by the Network expressly limit acceptance by a vendor to the terms stated therein, which include these terms and conditions, and vendors are hereby notified that the Network expressly objects to and rejects any terms or conditions that may be contained in any oral or written proposal, acknowledgement, confirmation, invoice or other document received from a vendor.**

1. **ACKNOWLEDGEMENT AND ACCEPTANCE:** Each order placed or offer made by the Network must be acknowledged by the vendor, either by electronic acknowledgment, fax, immediate shipment, written notice that materials will be drop-shipped, or other written communication stating anticipated dates for shipment or other confirmation of the Network's order or offer either by act or statement indicating acknowledgement or acceptance. Any of the foregoing constitutes acceptance of the Network's order or offer to the terms stated herein and therein, and the parties shall be deemed to have entered into a contract, and shall be bound to such terms and conditions. References to "products" in these terms and conditions include a reference to equipment, materials, and goods and services of any nature.
2. **PRICES:** Prices reflected on an order placed by the Network are considered firm unless re-negotiated and confirmed in writing by vendor and the Network. Prices include all delivery and handling charges unless otherwise indicated on the purchase order. Vendor warrants that all pricing is offered solely by vendor and not in conjunction with or pursuant to discussions or understandings with any other vendor or supplier.
3. **NO SUBSTITUTION:** No product may be substituted or work order modified without prior written approval of the Network's Materials Management Department.
4. **QUANTITY:** The specific quantity ordered must be delivered in full. No quantity ordered may be modified without prior written approval of the Network's Materials Management Department. Any unauthorized quantity sent by a vendor may be rejected and returned at the vendor's expense.
5. **RIGHT OF INSPECTION:** The Network reserves the right to receive all products subject to the right to inspect and reject upon discovery of damage, defect, or nonconformance with the order. If products are rejected, they will be returned to vendor for credit or replacement at the Network's option.
6. **LATE SHIPMENTS:** Vendor shall be solely responsible for all loss or damage incurred by the Network as a result of late shipments or late job completion, unless due to an act of force majeure, provided the vendor has used commercially reasonable efforts to notify the Network of such act and to mitigate the effect of such act on the vendor's performance.
7. **CLINICAL AND OTHER EQUIPMENT:** All clinical equipment is subject to, and must pass, the Network's safety inspection and applicable testing prior to acceptance or use. Operating, maintenance (electrical schematics) and parts list manuals must be received prior to payment of invoice. All equipment will be inspected upon receipt and if found not to meet specifications shall be returned freight collect.
8. **DELIVERY:** All shipments shall be delivered in accordance with the dates requested, unless otherwise agreed to in writing by the Network and the vendor. Vendor must immediately notify the Network if it will not be able to deliver products or services when requested, and in such an event the Network shall have the option in its sole discretion to (a) cancel the order or request without liability to Vendor, (b) order products or service from another vendor, or (b) accept an alternate delivery date.
9. **SHIPMENTS: UNLESS OTHERWISE EXPRESSLY INDICATED ON THE PURCHASE ORDER ISSUED BY THE NETWORK, VENDOR WILL ABSORB ALL FREIGHT CHARGES, INCLUDING SHIPPING AND HANDLING COSTS, AND ALL PRODUCTS SHALL BE SHIPPED F.O.B. DESTINATION. IF THE**

NETWORK IS CHARGED FOR SUCH CHARGES OR COSTS ON AN INVOICE, THE NETWORK SHALL NOT BE OBLIGATED TO PAY SUCH INVOICE UNTIL CORRECTED, AND IF THE NETWORK PAYS SUCH AMOUNTS IN ERROR, VENDOR SHALL IMMEDIATELY REFUND SUCH AMOUNTS TO THE NETWORK. Vendor will be responsible for the condition of products in transit, insurance, and filing claims with the commercial carrier.

10. **INVOICES; PAYMENT:** Vendor shall deliver an accurate invoice to the Network specifying the date on which goods were delivered or services provided, and itemizing such goods or services in reasonable details. Invoices shall be received by the Network within thirty (30) days of delivery of goods or provision of services. Invoices received more than sixty (60) days from such date may, at the Network's option, be deemed forgiven or subject to a late payment charge of 10% of such invoice applied for each fifteen (15) day period the invoice is received after the sixty (60) day period, which charge shall be deducted from the total due under the invoice. Payment is made by the Network forty-five (45) days after receipt of an accurate invoice. No finance charges, late fees, handling fees, or any other fees not expressly agreed to by the Network will be paid. **COD SHIPMENTS WILL BE REJECTED.** The Network reserves the right to delay payment of any invoices received upon noncompliance with any of these terms.
  
11. **TERMINATION:**
  - a. The Network may cancel an order or offer, in whole or in part, without liability to the vendor, if deliveries are not made in conformity with the terms hereof.
  - b. The Network may terminate an order in whole or part at any time for its convenience by written notice to the vendor. On receipt by the vendor of such notice, the vendor shall, and to the extent specified therein, stop work under such order and the placements of subcontracts, terminate work under subcontracts outstanding thereunder, and take any necessary action to protect property in the vendor's possession in which the Network has or may acquire an interest. Any claim by the vendor regarding such termination must be submitted to the Network within sixty (60) days after the effective date of termination.
  - c. Any cancellation or termination by the Network, whether for default or otherwise, shall be without prejudice to any claims for damages of other rights of the Network against the vendor.
  
12. **NO PUBLICATION:** The vendor shall not disclose, advertise or publish the fact that the Network has placed an order or made an offer to the vendor, or that the parties have entered into an agreement with respect to either of the foregoing, without the Network's prior written consent, except as may be necessary to comply with a proper request for information from an authorized representative of any government unit or agency.
  
13. **REPRESENTATIONS AND WARRANTIES.** Upon acceptance of an order or offer by the Network, the vendor represents and warrants that:
  - a. each product when delivered to the Network (i) is free and clear of any and all liens, security interests or any other encumbrances, and further, (ii) conforms to the vendor's applicable specifications, user documentation, literature and written warranties, (iii) is free from defects, whether patent or latent, in design, workmanship and materials, (iv) is manufactured in accordance with good manufacturing practices, as required by the United States Food and Drug Administration, (v) is not adulterated or misbranded within the meaning of the Federal Food, Drug, and Cosmetic Act, as amended, (vi) has otherwise been manufactured, packaged, labeled, distributed, sold and priced in compliance with all Federal, State, and local laws, rules and regulations, and (vii) does not infringe on any copyright, patent or trademark or misappropriate any trade secret of a third party.
  - b. material, equipment or services covered by the order or offer (i) conform to the specifications, drawings, or samples furnished by the vendor and shall be merchantable, and (ii) are listed with

Underwriters Laboratory or nationally recognized testing laboratory as suitable for use in a healthcare facility, if such listing is available for products.

- c. all articles and services covered by the order or offer meet or exceed the safety standards established and promulgated under the Federal Occupational Safety and Health Law (Public Law 91-596) and its regulations in effect or proposed as date of the order or offer.
  - d. all services will be performed (i) in a professional, timely, and workmanlike manner, (ii) in accordance with recognized industry standards, and applicable laws and regulations and accreditation standards and guidelines, and (iii) by individuals who are legally authorized to work in the United States in the capacity required to perform the services.
  - e. all warranties shall survive any inspection, delivery, acceptance or payment by the Network.
14. **INSURANCE:** All vendors are required to maintain Commercial General Liability Insurance (including bodily injury, personal injury, products liability, contractual liability, completed operations, and property damage) of not less than One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) in the aggregate, naming the Network as certificate holder. In addition, all vendors performing work on the Network's premises or providing services to the Network on the Network's premises are required to maintain Employer's Liability Coverage with a minimum of One Million Dollars (\$1,000,000) each accident, One Million Dollars (\$1,000,000) disease per employee, and One Million Dollars (\$1,000,000) disease in the aggregate and workers' compensation insurance with statutory limits, or proof of exemption in accordance with applicable law. If services provided by a vendor to the Network include transportation of people or property on behalf of the Network, such vendor is also required to maintain Automobile Liability Insurance for the vendor's vehicles providing such transportation with bodily injury and property damage limits of not less than One Million Dollars (\$1,000,000) combined single limit, naming the Network as certificate holder. If providing professional services, the vendor shall also maintain professional liability/errors and omissions insurance of not less than One Million Dollars (\$1,000,000) per occurrence and Three Million Dollars (\$3,000,000) in the aggregate, naming the Network as certificate holder. The vendor shall provide the Network with a certificate(s) of insurance evidencing all such required insurance coverage prior to providing products or services, as applicable, and upon coverage renewal thereafter. If any of the above coverages are written on a claims-made basis then the vendor shall provide the Network with evidence of "tail" coverage and/or an "extended reporting period" of sufficient duration for the vendor's reasonably foreseeable exposures to loss and/or liabilities arising from sale of products and provision of services and/or performance of work.
15. **CONSTRUCTION/CONTRACTOR VENDOR:** Each vendor is responsible for supplying all labor, materials, tools and all other supplies required for the total completion, as scheduled, of the work specified in an order or offer. All materials shipped to the Network for such work are to be unloaded by the vendor. No materials or tools will be loaned, sold, or rented to any vendor. Tool and material security is the responsibility of the contractor.

All work is to be done in a neat and workman-like manner and in accordance with the highest standards applicable to the vendor's industry. The work area must be left in a clean and orderly manner upon job completion. All work shall be done in compliance with all applicable federal, state and local codes and regulations.

The time of performance of the work by vendor is of the essence and the vendor agrees to reimburse the Network for any and all damages that may be assessed the Network due to vendor's delay in performance which has not been approved in writing by the Network. No allowance of an extension of time may be claimed by the vendor unless the vendor makes a written request for such extension.

No additional work or alterations to the Agreement may be made without written approval of the Engineering, Facilities, and/or Materials Management Departments. The vendor is responsible to close holes from installing conduit, pipe, cable and wire installations.

No subcontractors may be used without the prior written approval of the Network. Vendors shall ensure that all permitted subcontractors are bound to these terms and conditions, including the insurance requirements of these terms and conditions.

16. **NO DISCRIMINATION:** It is the policy of the Network not to discriminate on the basis of race, color, religious creed, sex, national origin, handicap, ancestry or sexual preference in accordance with applicable state and federal laws and regulations.
17. **INDEMNIFICATION:** The vendor shall indemnify, defend and hold harmless the Network, its affiliates, and its and their employees and agents for losses arising from any claim made by any person or entity, other than the Network or its affiliates, employees or agents, alleging (a) that use of any product supplied by the vendor resulted in bodily injury or property damage, (b) that any product supplied by the vendor infringes the intellectual property rights of any other person or entity, (c) any negligent act or omission (when there is a duty to act) of the vendor, its employees, agents or subcontractors, or (d) any breach of law, regulation, rule or guidance by vendor, its employees, agents or subcontractors.
18. **AVAILABILITY OF RECORDS:** The vendor agrees to make available to the Secretary of Health and Human Services or the Comptroller General for four years, any records necessary to certify the nature and extent of all contracts with the Network where the value or cost is \$10,000 or more over a twelve (12) month period. If the vendor carries out any duties of such contract through a subcontract where the value or cost is \$10,000 or more over a twelve (12) month period with a related organization, such subcontract shall contain a clause that the subcontractor agrees to make available to the Secretary of Health and Human Services or the Comptroller General for four years, any records necessary to certify the nature and extent of all contracts.
19. **EMPLOYMENT PRACTICES:** The vendor agrees that it is in full compliance with Title VII of the Civil Rights Act of 1964 (as amended); the Equal Pay Act of 1963 (Section 6, 7, and 12 of the Fair Labor Standards Act); the Age Discrimination in Employment Act of 1967; Executive Orders 11246 and 11367 (where applicable); and other such State and Federal laws defining and prohibiting certain discriminatory employment practices as the same may be applicable to the vendor.
20. **MISCELLANEOUS:** The Network shall not be bound by any additional or different terms, whether printed or otherwise, in the vendor's quotation or in any other communication from the vendor to the Network unless specifically agreed to in writing. All warranties shall be construed as conditions as well as warranties. No waiver of a breach or of any provisions of these terms and conditions shall constitute a waiver of any other breach or provision. No modification, change in, or departure from, or waiver of the provisions of these terms and conditions shall be valid or binding unless approved by the Network in writing.
21. **CHOICE OF LAW:** The internal laws and regulations of the Commonwealth of Pennsylvania (and not such Commonwealth's law of conflicts) shall apply with respect to all matters relating hereto, whether arising from these terms and conditions or the Agreement or the interpretation of these terms and conditions or the Agreement, or arising from alleged facts outside these terms and conditions or the Agreement including without limitation, negligence, misrepresentation, or any other alleged tort or violation . The United Nations Convention on Contracts for the International Sale of Goods will not apply to these terms and conditions or the Agreement.
22. **PRIVACY:** The vendor agrees to comply with the applicable state and federal laws governing the confidentiality of patient and consumer information. If vendor is a "business associate" for purposes of the regulations implementing the Health Insurance Portability and Accountability Act of 1996, ("HIPAA") vendor will also execute and comply with the Business Associate Agreement provided by the

Network to vendor. Without limiting the foregoing, if vendor is not a “covered entity” or “business associate” for purposes of HIPAA, then vendor will comply with the following with respect to any Protected Health Information it acquires: (a) not use or disclose such Protected Health Information without the written authorization of the Network; and (b) promptly report to the Network any use or disclosure of Protected Health Information not permitted by the Network. “Protected Health Information” is defined in 45 C.F.R. § 160.103.

23. **DISPUTE RESOLUTION.** Any controversy or claim arising out of or relating to an order placed or offer made by the Network or the Agreement between the parties shall be settled by binding arbitration before a single neutral arbitrator mutually agreeable to the parties in accordance with the Commercial Arbitration Rules of the American Arbitration Association then pertaining. Any court with jurisdiction shall enforce this clause and enter judgment on any award. The arbitration shall be held in the Lehigh Valley, Pennsylvania, and the arbitrator shall apply the substantive law of Pennsylvania, except that the interpretation and enforcement of this arbitration provision shall be governed by the Federal Arbitration Act. Each party has the right before or during the arbitration to seek and obtain from the appropriate court provisional remedies such as attachment, preliminary injunction, replevin, or such similar type of equitable remedies, to avoid irreparable harm, maintain the status quo or preserve the subject matter of the arbitration. **THE ARBITRATOR SHALL NOT AWARD ANY PARTY PUNITIVE OR EXEMPLARY DAMAGES, AND EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT TO SEEK SUCH DAMAGES.** All costs of arbitration shall be evenly divided between the parties, exclusive of each party’s legal fees, each of which shall be borne by the party that incurs them.
24. **FALSE CLAIMS ACT:** If the vendor has knowledge or information that the Network or a Network employee is involved in a suspected violation of the state or federal False Claim Act, the vendor shall immediately contact the Network’s Compliance Hot Line by calling 484-526-4034.
25. **VENDOR CREDENTIALING:** No vendor personnel shall be permitted to conduct business with the Network without obtaining all applicable credentials from the Network which shall include, without limitation, approval by the Network of the results of all health and background screening required by the Network, and completion by vendor personnel of all applicable training and credentialing requirements.
26. **CONFIDENTIALITY:** In connection with the performance of an order or offer the Network will be disclosing to vendor information and data relating to its business and operations, including, without limitation, information relating to its markets and services, which the Network considers confidential or proprietary. As a condition to performance by the vendor, the vendor shall not disclose such confidential information to any third party, shall only use such confidential information to provide the goods or services described in the order or offer, and shall take reasonable steps to ensure that all such confidential information of the Network is kept confidential. As used herein, “reasonable steps” means the steps that the vendor takes to protect its own, similar confidential and proprietary information, which shall not be less than a reasonable standard of care.