

1. Purpose

HealthPRO Canada is committed to maintaining high standards of integrity, transparency, performance accountability, and risk management in all procurement processes it administers.

While HealthPRO Canada's authority to suspend suppliers from procurement processes is established in all versions of its Terms and Conditions (including Section 2.1(a), "Reserved Rights"), this policy does not create new contractual rights or remedies. Rather, it provides suppliers with greater transparency and clarity regarding how HealthPRO Canada exercises its existing contractual rights, including the criteria considered, the process followed, and the opportunities for response, remediation, and review.

This policy explains how HealthPRO Canada may determine that a supplier is **suspended** from participating in HealthPRO-issued procurement processes, and how such determinations are assessed, communicated, and reviewed.

A Suspended Supplier is not eligible to bid on HealthPRO-issued Requests for Proposal (RFPs) or be awarded new contracts. If a proposal is received from a Suspended Supplier in response to an open HealthPRO procurement process, HealthPRO may disregard the submission and notify the supplier accordingly.

Suspensions under this policy may be applied on a supplier-wide or category-specific basis, depending on the nature and scope of the identified risk. Where a suspension is limited in scope, HealthPRO will document the rationale for containment and the measures in place to prevent risk transfer.

2. Scope

This policy applies to all procurement processes where HealthPRO Canada issues a Request for Proposal (RFP), whether national or member-specific.

This policy does not apply to purchases made independently by HealthPRO members outside of HealthPRO-issued procurement processes.

3. Criteria for Supplier Suspension

A supplier may be suspended or deemed ineligible where HealthPRO Canada identifies integrity, performance, quality, supply, or risk-related concerns, including (without limitation):

- Fraud, bribery, bid-rigging, collusion, or other serious criminal conduct;
- Unethical commercial conduct or material misrepresentation;
- Failure to disclose required legal, ownership, or corporate structure information;
- Use of ineligible or suspended subcontractors without approval;
- Misuse of confidential information;
- Significant or repeated contract performance failures, including supply disruptions or quality issues;

- Failure to engage in remediation, post-award reviews, or performance management processes.

4. Notification and Supplier Response

Where HealthPRO is considering a suspension determination, the supplier will be notified in writing.

Suppliers will normally be provided **between five (5) and ten (10) business days** to submit a written response, including any mitigating information or proposed remedial actions. In urgent or high-risk situations, this period may be shortened to protect patient care or member operations.

HealthPRO may request additional information, meetings, or third-party assessments before making a determination.

5. Determination and Consequences

If a supplier is suspended:

- The supplier will not be eligible to participate in HealthPRO-issued procurement processes for the duration of the suspension;
- Proposals submitted during the suspension period may be disregarded;
- Existing contracts are not automatically terminated by a suspension decision.

Suspension relates to **eligibility for future procurement opportunities** and is distinct from contract termination, which is governed by applicable contract terms. Where a contract is terminated for cause and a new RFP is issued, the terminated supplier will be excluded from that procurement.

Suspension periods generally range from **three (3) to five (5) years**, depending on severity, risk, and remediation.

6. Administrative Agreements

In some circumstances, HealthPRO may enter into an **Administrative Agreement** with a supplier instead of, or following, a suspension decision.

Administrative Agreements are used to establish enforceable remediation measures and may include governance changes, compliance programs, audits, monitoring, reporting obligations, or time-bound review milestones.

Entering into an Administrative Agreement does **not** automatically reinstate a supplier. Suppliers under such agreements remain subject to conditions and monitoring, and suspension may be reinstated if terms are breached.

7. Exceptions Due to Critical Service or Clinical Necessity

In limited circumstances, HealthPRO may consider an exception to a suspension where a member organization demonstrates a **critical operational or clinical necessity**, such as:

- Sole-source availability with no viable alternatives;
- Patient safety risks that prevent substitution;
- Urgent service continuity concerns.

Exceptions are assessed on a **risk-based basis** and are not granted based on preference or convenience. HealthPRO retains the right to decline an exception if risks remain unacceptable, even in sole-source situations.

8. Appeals and Reinstatement

Suspended suppliers may request reconsideration or reinstatement by submitting a written request to HealthPRO.

Requests may generally be submitted **no earlier than twenty-four (24) months** from the suspension effective date. In more serious cases, HealthPRO may require up to **forty-eight (48) months** before considering a request.

Reinstatement decisions are based on objective evidence, including resolution of underlying issues, governance changes, legal outcomes, demonstrated performance improvements, and overall risk to members and patients.

Reinstatement is **not automatic** and may be granted with conditions or probationary requirements.

9. Governance and Record Keeping

Decisions under this policy are approved by HealthPRO's senior leadership. HealthPRO documents suspension, exception, administrative agreement, and reinstatement decisions and retains records in accordance with its corporate record-retention practices.

10. Transparency

HealthPRO may share high-level, anonymized information with members to promote transparency and confidence in the integrity of HealthPRO-administered procurement processes.

Contact

Suppliers with questions regarding this policy may contact:

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Appendix A: Suspension Severity Table (Indicative)

| Infraction Type | Examples | Default Suspension Duration | Notes |
|--|--|------------------------------------|--|
| Fraud, Bribery, Corruption | Criminal conviction, false invoicing, kickbacks | 5 years | Aligns with PSPC mandatory ineligibility period |
| Bid Rigging or Collusion | Price fixing, sharing confidential RFP info | 5 years | May trigger Competition Bureau referral |
| Material Misrepresentation | False declarations in RFP responses or ownership disclosures | 4–5 years | Duration based on intent and materiality |
| Quality Failures Impacting Patient Safety | Contaminated or non-conforming products | 3–5 years | Highest duration when recall or harm occurred |
| Chronic Supply Disruptions | Failure to deliver without mitigation; breach of back-order policies | 3 years | Could increase if supplier was non-cooperative or issue was systemic |
| Subcontracting to Ineligible Party (Undisclosed) | Use of debarred subcontractor or shell entity without disclosure | 3–5 years | Duration varies based on knowledge and role in concealment |
| Contract Termination for Cause | Breach of contract after warnings and remediation attempts | 3–5 years | If followed by re-tendering, supplier will be deemed suspended |
| Failure to Cooperate Post-Award | Ignoring performance reviews, scorecards, or audits | 3 years | Shorter if first instance, longer if recurring |

| Infraction Type | Examples | Default Suspension Duration | Notes |
|--|---|------------------------------------|--|
| Refusal to Disclose Corporate Structure or Legal Matters | Willful withholding or delayed disclosure | 3 years | Can escalate if found to be deliberate concealment |