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Overview

This pamphlet acquaints suppliers with the procedures used by the Howard Hughes Medical Institute to procure goods and services.

HHMI's scientific research is conducted in laboratories across the United States. The Institute currently has laboratories at more than 60 medical centers, hospitals, and universities. In 2006, HHMI opened its first freestanding research facility, the Janelia Farm Research Campus (JFRC), located in Ashburn, Virginia.

More than 300 scientists—HHMI investigators, JFRC group leaders, and JFRC fellows—head the Institute's laboratories. The total number of employees in the scientific programs is about 3,000.

HHMI's headquarters are located in Chevy Chase, Maryland, near Washington, D.C. The headquarters staff provides business and administrative support to the field offices—for example, purchasing, accounting, intellectual property management, payroll, employment, and employee benefits.

Many of the sites where the Institute operates laboratories have an Office of Administrative Services (OAS). Each OAS acts as a business office for the laboratories, handling budgeting issues, personnel matters, purchasing, and other administrative tasks. In some cases more than one site is assigned to an OAS for administrative purposes.

At JFRC, administrative matters are managed through the office of the director of administration and finance.

A procurement coordinator at each OAS and at JFRC has primary responsibility for placing orders and working with suppliers on purchasing matters. A manager of administrative services supervises all OAS functions, and the director of administration and finance supervises the purchasing functions at JFRC.

Purchasing for HHMI is guided by the following policies:

- To obtain products or services that meet HHMI's requirements for quantity and quality, are fairly priced, and are delivered when needed.
- To encourage competition and provide all interested and qualified suppliers with an opportunity to offer their products or services to the Institute.
- To treat all suppliers fairly.

The Institute strives to develop long-term, mutually beneficial relationships with all its suppliers. We acknowledge that suppliers must be compensated adequately to finance continuing product development and corporate growth. We also expect to be treated fairly in financial terms, especially if our dollar volume warrants price considerations.

If you have questions that are not answered in this general guide, call the manager of administrative services at the HHMI location nearest your place of business. For information about HHMI locations:

Purchasing Services
(301) 215-8977
purchasing@hhmi.org

If you have questions regarding JFRC, contact the director of administration and finance. For information about JFRC:

Janelia Farm Research Campus
(571) 209-4000
janeliafarm@hhmi.org

For general information about HHMI research and programs:

www.hhmi.org

Policies

OFFICE HOURS

HHMI office hours vary from location to location. In general, most offices are open for business from 9:00 a.m. to noon and from 1:00 p.m. to 5:00 p.m.

SALES VISITS

Sales personnel are encouraged to interact productively with the laboratories. You are urged, however, to make advance appointments. We also request that you check in at the OAS and notify the procurement coordinator when departing. If you are in the habit of making regularly scheduled visits, be sure the laboratories and OAS know that schedule.

At JFRC, all visits by sales personnel must be scheduled through the procurement coordinator in advance.

Under no circumstances should an HHMI investigator, group leader, or fellow be contacted for a sales call without an appointment. If an investigator, group leader, or fellow wishes to visit with you, the OAS, investigator, group leader, or fellow will contact you.

PURCHASE ORDERS

Only the OAS and JFRC's management have authority to commit funds to procure goods and services. All purchases are placed using either a purchase order or, for specific items such as oligos, an HHMI procurement card.

Except for equipment items, many of our purchases are made over the telephone by the local purchasing staff after OAS or JFRC approval. A confirming purchase order will be provided upon request.

No sales may be made to HHMI employees without approval by an individual from the Institute's OAS or the JFRC management team.

INVOICES

To receive prompt payment for goods or services provided, the supplier must submit an original invoice containing the following information:

- Correct purchase order number
- Complete description of goods or services furnished
- Quantity delivered
- Unit prices and extensions
- Prompt-payment discount terms, if any
- Institute's name and headquarters address in the billing address
- Supplier's complete name and remittance address
- Invoice date

Invoices not containing all the above information may be subject to delayed payment. Invoices without the Institute's name in the billing address will be returned to the vendor without being processed for payment. Once a corrected invoice is received, prompt payment will be made.

Please send all invoices to the Accounts Payable Department at HHMI headquarters:

Howard Hughes Medical Institute
Attention: Accounts Payable
4000 Jones Bridge Road
Chevy Chase, Maryland 20815-6789

PAYMENTS

Payments for goods or services will be made after:

- The supplier delivers and the Institute accepts the goods or services.
- The supplier submits an original invoice for the item.
- The Institute matches the invoice with the receipt *and* the purchase order.
- A Form W-9 or Substitute Form W-9 (Request for Taxpayer's Tax ID) with an original signature is received in HHMI's Tax Compliance Department.

It is very important that the original purchase order, the receipt, and your invoice match. Inconsistencies in matching cause automatic delays in payment.

All payments will be mailed by the Accounts Payable Department directly to the remittance address shown on the vendor's invoice. Any other arrangements between sales personnel and buyer are discouraged.

If you experience difficulty in collecting, we will first direct you to the Accounts Payable Department at HHMI headquarters in Chevy Chase, Maryland. If there is a persistent pattern of payment delays that might affect HHMI's credit status, please contact Purchasing Services at HHMI headquarters: (301) 215-8977.

DISCOUNTS

The Institute's dollar volume warrants price consideration with certain suppliers. If your company does extend discounts to the Institute, we prefer that the invoice show a price net of any discount. If your invoice must show a discount, indicate the percentage discount for each line item. Discounts will then be compatible with our automatic payment system.

PAYMENT TERMS

The standard payment term for the Institute is 30 days. If your firm offers a discount for faster payment, please indicate this on your invoice, and the Institute will attempt to make earlier payment.

CREDIT INFORMATION

Credit applications are completed by Purchasing Services at HHMI headquarters in Chevy Chase, Maryland. If you are a new supplier, please submit your credit application form to one of our OAS or JFRC staff members for forwarding.

DELIVERY ADDRESSES

Make sure your shipping department uses the correct HHMI shipping address. Most of our locations have different addresses for general supplies, radioisotopes, and animals. If you are going to be dealing with only one of our locations, a member of the OAS or JFRC staff will be able to furnish delivery addresses for that location. A list of all current Institute addresses is available from Purchasing Services at HHMI headquarters.

TAXES

HHMI is exempt from state sales tax at most of the locations. Please check with the OAS or JFRC staff to verify the tax status of the Institute location where you will be doing business. The OAS or JFRC can provide a copy of the tax exemption certificate.

QUOTATIONS

Quotations must be made to the Howard Hughes Medical Institute, not the host university or hospital. When you respond to an HHMI investigator, group leader, or fellow regarding a request for a quote for equipment or supplies, you must send a copy to the procurement coordinator at the OAS or JFRC.

FREIGHT CARRIERS

Do not ship freight collect or COD. OAS and JFRC personnel do not have cash on hand to receive goods COD. If shipping terms are FOB Shipping Point, shipments are to be made "surface best way" unless otherwise indicated by the person phoning the order. FOB Shipping Point charges should be invoiced as "prepay and add."

DELIVERY DATES

Suppliers are expected to give realistic delivery dates and to deliver the materials or services within the time they have specified. Our computer system monitors delivery performance, and the data are analyzed closely. Depending on the urgency of an order, OAS or JFRC personnel may follow up overdue orders by phone.

PACKAGING

All items must be packaged in accordance with prevailing commercial practices and in such a manner as to ensure delivery in good condition. Follow any instructions on the purchase order. Packages must properly identify the consignee and the purchase order number. A packing slip must accompany each shipment for verification purposes.

MAINTENANCE AGREEMENTS

If a piece of equipment is covered under a maintenance contract, it is the supplier's responsibility to forward a contract renewal to the OAS or to the procurement coordinator at JFRC at least 30 days before the expiration date to ensure uninterrupted service. Do not send contract renewals to the individual HHMI investigator, group leader, fellow, laboratory, or headquarters.

ON-TRIAL EQUIPMENT

On occasion, end users may want to test and evaluate a piece of equipment before they commit to purchasing it. To accommodate this requirement, suppliers are often willing to leave a unit on site for a short period of time for trial purposes. At the end of the trial period, the unit may be purchased or returned, depending on the circumstances.

Before equipment can be accepted by HHMI for trial purposes, the supplier representative, an OAS representative, the director of administration and finance at JFRC or the HHMI headquarters

department representative, and the appropriate investigator, group leader, or fellow (for equipment being tested in the laboratory) must sign a copy of the Equipment Trials Agreement form.

HAND DELIVERIES

Hand-delivered items must be checked through the receiving dock. Be sure to leave an appropriate packing slip with the HHMI or JFRC receiving clerk, staff member, or lab technician.

CATALOGS

It is important that the OAS *and* laboratories, including JFRC, have current catalogs and price lists. Incorrect pricing because of outdated price lists results in delayed payment. The OAS and JFRC procurement coordinators will distribute catalogs, price lists, and brochures to appropriate laboratory personnel. The procurement coordinator can recommend the number of catalogs required for adequate coverage.

REPAIRS AND SERVICE

At host institutions, only the OAS has specific authority to commit funds to repair and service equipment. Prior to all repair calls, the OAS must have issued a purchase order number.

Check with the procurement coordinator upon your arrival and departure. The OAS and laboratory must sign your work authorization.

At JFRC, the departmental managers/directors have specific authority to commit funds to repair and service equipment, and they will be responsible for initiating a purchase order number. The departmental managers/directors will coordinate with you regarding your arrival and departure from the facility and will be responsible for signing your work authorization.

HAZARDOUS MATERIALS

Delivery and storage of hazardous materials are subject to the procedures in place at each host university or hospital and at JFRC. Please check with the procurement coordinator for guidance.

EQUIPMENT EXHIBITS

At the host institutions, the conference room is typically available for product demonstrations. In arranging an exhibit with the OAS, certain guidelines should be followed:

- Reservations for the room must be made well in advance.
- The manager of administrative services must approve the products being demonstrated, literature and other promotional items, refreshments served, and theme of the exhibit.
- Notices must be approved and posted by the OAS.
- Starting and ending times for the exhibit should be carefully observed.

Specific procedures for some locations may already be in place for the host university or hospital. Please check with the procurement coordinator for guidance.

At JFRC, all equipment exhibits should be coordinated through the procurement coordinator. Please check with the procurement coordinator at JFRC for guidance.

CHANGE ORDERS

Change orders are used to initiate action to modify or cancel current purchase orders. The change order identifies the affected portion of the original purchase order and specifies the corresponding change required. Since we do not automatically send change orders to the supplier, please advise the procurement coordinator when you need a copy.

GRIEVANCES

Any supplier grievance related to Institute purchasing activity should be submitted in writing to the manager of administrative services at the site where the grievance arose or to the director of administration and finance for JFRC.

NATIONAL PRICING AGREEMENTS (NPA)

Suppliers who have significant annual sales volume with the Institute are encouraged to have a national discount agreement in place through Purchasing Services at HHMI headquarters. NPA vendors are expected to adhere to the pricing in their NPA at all HHMI locations and should not offer “local specials.” (*Note:* JFRC is an exception to this pricing policy. See “Pricing for Janelia Farm Research Campus” on page 12.) Promotional specials in addition to the NPA are permitted but must be available to all HHMI investigators, group leaders, and fellows, be valid for a specific length of time, and be approved by Purchasing Services.

REGIONAL PRICING AGREEMENTS (RPA)

In geographical areas where the Institute has multiple sites (e.g., Boston, New York, San Francisco) local suppliers are encouraged to initiate Regional Pricing Agreements. Regional pricing activity involves commodities or services that are provided on a local basis. Purchasing Services at HHMI headquarters can give you information regarding this program. In addition, many sites have established local pricing agreements with local vendors.

PRICING FOR JANELIA FARM RESEARCH CAMPUS

The concentration of HHMI research laboratories at JFRC in Ashburn, Virginia, should create opportunities for specific pricing because of the reduced logistics required to serve this research community. Single points of contact for purchasing, receiving, and customer interface will reduce the cost of doing business. Suppliers who can take advantage of these benefits are encouraged to offer specific pricing to Janelia Farm.

GRATUITIES

Do not offer gratuities to HHMI personnel or contractors. Gratuities include such items as tickets to sporting events, gifts sent to the office or home, and parties that are closed to other customers. The manager of administrative services or the director of administration and finance at JFRC can advise suppliers on those events or items that would be considered a gratuity. Promotional products (e.g., pens, calendars, T-shirts, mugs) should be cleared by the OAS or JFRC management before distribution.

The best way to thank laboratory personnel for their business is to provide them with good service.

ABOUT THE HOWARD HUGHES MEDICAL INSTITUTE

The Howard Hughes Medical Institute was founded in 1953 by aviator-industrialist Howard R. Hughes. It is a nonprofit medical research organization dedicated to biomedical research and education. HHMI's principal objectives are the advancement of fundamental knowledge in the biomedical sciences and the application of that knowledge to alleviate disease and promote health.

Through its grants and special programs, HHMI seeks to strengthen science education and biomedical research by supporting current and future leaders to advance scientific knowledge, develop educational products, and implement outstanding educational practices.

The Institute is governed by its Trustees, an independent board of prominent citizens. Its operations are the responsibility of the president, who is the chief executive officer. The executive offices are located in Chevy Chase, Maryland.

Each fall, the Institute distributes an annual report highlighting the activities of the previous year. A copy may be obtained at any local OAS, at JFRC, or online from the HHMI Catalog at catalog.hhmi.org. For more information about HHMI, including current research, visit www.hhmi.org.

HHMI

HOWARD HUGHES MEDICAL INSTITUTE

Purchasing Services

4000 Jones Bridge Road

Chevy Chase, Maryland 20815-6789

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