



**3. Reductions in Consignment Inventory Levels.** Regular monitoring of consigned items is important. If an item is not utilized within a reasonable period, the need for that item to be consigned will be reassessed. Vendor retains the right to have an item removed from University of Iowa Hospitals and Clinic's consignment upon their discretion after providing UIHC with a 60-day notice.

**4. Return of Inventory.** UIHC can, at any time, return unused or expired items from consignment inventory to vendor. "Unused" is defined as any unopened package, regardless of package condition. For sterile products, "Unused" is additionally defined as product whose sterility has not been compromised.

**5. Inventory Replacements.** Once an item is used, UIHC is expected to notify the vendor and they will re-consign additional items. When notifying vendor representative of used items, UIHC will need to include model, serial and purchase order numbers if agreed upon. Replenished consignment items assigned to UIHC are to be accompanied by an updated list with model and serial numbers, expiration date, and size or any other item-specific information. All inventory replacements will be provided to UIHC via next-day air delivery at no additional cost to UIHC. If a product becomes damaged for any reason, both the University and the Vendor will discuss replacement of inventory that would be fair to both parties.

**6. Ownership and Inspection.** UIHC recognizes that consignment inventory is the property of vendor. It is the responsibility of vendor to inspect and report the consignment inventory on a quarterly basis for expiring and outdated products, and to replace any such products in a timely manner with like-for-like product at the same price. With reasonable notice, UIHC agrees to give vendor representative(s) escorted access to its inventory to conduct such inspections of consignment inventory levels, and to verify the quantity and condition of the consignment inventory. Inventory will be expensed at the time of use.

**7. Quarterly Inspections.** Quarterly inspections may be conducted and documented. The inspection reports must be signed by a vendor sales representative, the UIHC department manager (or an authorized delegate), and the UIHC Procurement Services Director to be considered valid. UIHC is only responsible for the product listed on the most current valid inspection report. UIHC Procurement Services must receive each original inspection report to keep on file.

**8. Modifications to Consignment Inventory.** A new approval and inspection will be required when product is added, subtracted, or traded out of UIHC consignment inventory. Substantial changes to products (e.g., changes in the product itself, packaging, pricing, catalog number) will require approval from UIHC Product Review and Standardization Committee prior to its addition to the consignment inventory.

**9. Discrepancy Resolution.** If there is a discrepancy between product listed on the most current inspection report and actual product in UIHC consignment inventory, the UIHC department manager and a Procurement Services staff member will work with vendor to resolve.

**10. Product Recalls.** Vendor shall notify UIHC Procurement Services Department immediately of any product recall or alert, voluntary or otherwise. Vendor agrees to respond to a UIHC-generated recall, alert or defect report.

**11. Pricing.** Pricing must be agreed to in writing prior to any product being delivered. Pricing should be held firm for a minimum period of at least one (1) year from the date the agreement is signed.

**12. Term and Termination.** An agreement shall have an initial term of one (1) year from the signing date, and may be renewed for successive one-year (1-year) terms upon the mutual written agreement of the parties. This agreement may be terminated, without cause, upon 30 days advance written notice by either party.

