

# Vendor Management Program



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## **Section 1 – Introduction & Program Objectives**

Saira Enterprises values the contributions of our many Vendors that support our business. This relationship is very important to us, as our success depends greatly on the quality, commitment and service of our Vendors. The information contained in these “Vendor Guidelines” is intended to establish a framework by which our company will work together with our approved Vendors to assist us in delivering the excellence expected by both our internal and external customers/clients. By developing an understanding of our goals and expectations up-front, we hope to eliminate any possible misunderstandings and reinforce the continued need for mutual communication, good business practices and our core beliefs that drive our decisions and support our business outcomes. Throughout this Vendor Management Program Guideline, there will be references to the “company” and “vendor”. For the purposes intended, “company” refers to Saira Enterprises and “vendor” refers to any supplier of goods and/or services to Saira Enterprises.

Building good business relationships with our Vendors is very important to us and we would like to align ourselves with like-minded businesses that are dedicated to improving service, creating business efficiencies and provides the opportunities for all to succeed in their business endeavors.

On behalf of the Saira Enterprises, we thank you in advance for your efforts to support us in better servicing our customers/clients.

## **Section 2 – Vendor Selection and Due Diligence**

As part of a more comprehensive due diligence process in selecting preferred Vendors, certain criteria are considered and may include, but is not limited to the following:

- Cost of product(s) or service(s) required.
- “Best Fit” in meeting strategic goals and objectives of the company.

- Possible risk exposures.
- Complexity, materiality and uniqueness of product(s) or service(s) required.
- Business relationships, past performance, referrals and feedback.
  - Financial conditions and reputation of vendor.
  - Level of experience and expertise of the principals of the vendor.
  - Company's confidence in the vendor.

There are many possible factors that could lead to vendor selection decisions. Regardless, we value all perspective vendors and appreciate their interest in servicing our companies, as we are committed to working and developing relationships with quality businesses and individuals to best serve our customers/clients.

### **Section 3 – Insurance Requirements & Risk Management**

Managing risk exposures is a very important component of managing successful businesses and we value business partners that share our values. To ensure that we are working together to mitigate potential risk exposures, we have developed the appropriate insurance requirements and expectations for Vendors that service Saira Enterprises. All Vendors supplying products and/or services to Saira Enterprises are required to maintain minimum levels of specific business insurance coverages and provide proof of such insurance coverage prior to becoming an approved vendor. The minimum insurance requirements for Vendors providing product and/or services is as follows;

- General Liability Insurance - \$1M Per Occurrence / \$2M General Aggregate Limit (Completed Operations, including Personal and Advertising Injury)
- Workers Compensation Insurance is required for all Vendors providing on-site services at any company owned property, leased

location, managed property or construction project work site. Vendors and/or Subcontractors will have the appropriate worker's compensation insurance in all states where they provide service to Saira Enterprises. Additionally, Policy shall contain a waiver of subrogation in favor of Saira Enterprises. (There are no exceptions to this insurance mandate)

- Automobile Insurance is required for Vendors and/or Subcontractors performing service or subcontractor work on company premises, leased premises, managed premises and/or company project work-sites. Vendor or Subcontractor policy coverage and limits are to be included on the Certificate of Insurance submitted to the company. Limits that are deemed insufficient will be addressed on a case by case basis with Vendor or Subcontractor as deemed necessary.

Saira Enterprises and the Hotel Ownership Entity shall be added as a "Additional Insured" on a primary basis on both the insurance policy and the Certificate of Insurance (COI) along with the appropriate endorsements, specifically those required and obligated to contractually. The "Additional Insured" will be provided based on the products and/or services being provided. All Certificates of Insurance should be submitted along with the Vendor Set-up form at the time of initial Vendor Set-up. In addition to the "Additional Insured" status required, Saira Enterprises should be listed on the Certificate of Insurance as a "Certificate Holder" in addition to the Additional Insured inclusion to the "description of operations section" of the Certificate of Insurance or Endorsement as required by contract. Any "Cancellation" of the insurance policies before the policy expiration should be evidenced by the proper notice to the "Certificate Holder" a minimum of fifteen (15) days in advance of cancellation. The Certificate Holder Address in all issuances will be as follows;

**Attention:**

Risk Management

C/O Saira Enterprises 2304 Silverdale Road, Suite 200 Johnson  
City, Tennessee 37601

**Safety Data Sheets (SDS)**

Safety Data Sheets (SDS) are to be provided to the product recipient for all shipments to Saira Enterprises for any products or materials “shipped to” or “delivered to” a hotel or alternate project work site for all products of potentially hazardous material or dangerous products. For any questions concerning this section, please refer to your internal risk management department clarification and direction. This requirement is intended to assist us in maintaining compliance with the Hazard Communication Standard 29 CFR 1910.1200 and the Globally Harmonized System (GHS) of Classification and Labeling of Chemicals.

**Safety**

Service Providers and Subcontractors shall take all reasonable safety precautions when servicing company owned, company leased, or company managed properties and construction work sites. Vendors shall comply with all applicable laws, rules, ordinances, regulations and orders of public authorities in connection with their service responsibilities. The safety of the company’s employees, subcontractors, visitors, customers, clients and other invitees is of the utmost importance. Vendors should always conduct themselves professionally and responsibly.

**Section 4 – Logistics**

Supply Chain Logistics plays an important role in many aspects of our business operations. Orders placed for general supplies and/or materials along with on-time deliveries are critical to normal day-to-day operations and facilitating project completion timelines or satisfying our Guests. Vendors are expected to manage these obligations and honor

commitments that are timeline driven. All supply chain solutions are expected to drive efficiencies and cost-effective solutions.

### **Shipment of Product or Materials**

To avoid un-necessary or un-expected costs, we have authorized “Ship Payment Terms” for orders placed and delivered to a Hotel location or alternate project worksite(s) will always be shipped “FOB, Destination, Freight Prepaid”. Unless otherwise instructed in writing by the “Authorized Purchaser”, these terms are to be considered the standard terms. Under no circumstances, shall a Vendor or Vendor’s Agent apply freight costs to any billing invoice as a “Prepaid & Add” cost. Any such “Prepaid & Add” freights costs billed without express advanced authorization will be deducted from the invoice before processing by the company for payment. There will be no exceptions to this policy and practice. Vendors shall notify “Company” Purchaser on any backorder status that will delay promised arrival dates for product or supplies shipped, as on-time deliveries are crucial to all our operations. This requirement does not preclude the order from shipping late, but rather serves as a communication step necessary for proper contingency planning on the part of the company.

### **Common Carriers**

If Company purchases on a “Prepaid” basis, then Common Carrier Accessorial Charges will not be paid on any subsequent Freight Bill generated by any such common carrier in connection with a Vendor Pre-Paid Shipment. Any accessorial charge(s) for any such delivery should be anticipated by the “Vendor” (Shipper) and included in the pre-paid purchase price quote.

### **Section 5 – Vendor Set Up Procedures**

All prospective Vendors must complete a “Vendor Set Up Form” which will be either provided to the Vendor by an “Authorized Representative” of Saira Enterprises that the Vendor is intending to conduct business

with or can be found on the company website at [www.sairaems.com](http://www.sairaems.com) in the Quick Links section of the home page. The Vendor Set Up Form, current Federal W-9 Form must be completed in its entirety along with the appropriate attachments and acknowledgement signature of an authorized representative of the Vendor. Each prospective Vendor will be provided a Vendor Set Up package that will include the following; (1) Vendor Set Up Form, Current Federal W-9 Form and a copy of the Saira Enterprises Vendor Set Up & Vendor Management Program Guidelines.

The Vendor Set Up & Vendor Compliance Guidelines are a requirement of conducting business with Saira Enterprises. Vendors should take the time to review these guidelines and seek any clarifications necessary prior to the submission of the Vendor Set Up. It is important that Vendors understand and committed to the service commitment and expectations expressed in the guidelines presented. The Vendor Set Up Package is available in paper hard-copy format or electronically based on the Vendor's preference.

### **Section 6 – Contracted Relationships with Preferred Vendors**

Certain vendors by the nature of the goods and/or services they provide will fall into a category of vendor that will operate exclusively under a contract that specifically outlines the product and/or services to be provided and will clearly outline the specific mutual obligations and duties of both Saira Enterprises and “vendor”. It is critically important in these situations that the duties and obligations are clearly understood. Therefore, it is the duty of both parties to clearly outline the scope of work to be performed so that all expectations are satisfied. Contract elements to consider may include, but are not limited to the following:

- Scope of Work
- Clearly measurable performance standards
- Key Performance Indicators (KPI)



- Reports and Information Dissemination
- Security, Confidentiality and Other Controls
- Business Interruption & Emergency Contingency Plans
- Cost of Service
- Licensing, Permitting and Other Regulatory Obligations zDispute Resolution
- Liability Limits and Indemnification
- Assignment of Rights under the contract
- Contract Termination with or without cause

This section is not intended to be all inclusive and serves only as a means of encouraging a thorough consideration process for the “company” and “vendor” before entering into a contractual arrangement.

### **Section 7 – Warranty of Goods/ Materials Purchased**

The vendor represents and warrants that all goods and/or materials purchased by Saira Enterprises is of the quality and fit for the purpose for which it is intended. Such warranty by the vendor is in addition to all other warranties made in writing or verbally in connection with the goods and/or materials, whether expressed or implied, including any warranties provided by any applicable statute or regulation.

By shipping and/or delivering goods and/or materials ordered, or performing services requested, the vendor certifies and warrants that it has complied with all applicable laws, regulations and certification as appropriate regarding the manufacture, distribution and sale of shipped or delivered goods and/or materials and services performed on behalf of the company. If the provisions of this entire document and requirements herein conflict with any other written agreement, it is the intent of the company, that the most favorable benefit to the company shall be

derived from the terms and conditions in either the written agreement or the vendor management program guidelines contained herein.

### **Section 8 – Hold Harmless and Indemnification**

The work performed by a service vendor and/or construction contractor shall be at the risk of the service vendor or contractor exclusively. To the fullest extent permitted by law, the service vendor and/or construction subcontractor shall indemnify and defend at the sole expense of the service vendor and contractor and hold harmless Saira Enterprises, their owners, partners, joint ventures, representatives, members, designees, officers, directors, shareholders, employees, agents, successors and assigns (Indemnified Parties), from and against any and all claims for bodily injury, death or damage to property, demands, damages, actions, causes of action, suits, losses, judgments, obligations, and any liabilities, costs and expenses ( including but not limited to investigative and repair costs, attorney fees and costs, consultant fees and costs and claims which arise or are in any way connected with work performed, materials furnished, or services provided under any written or verbal agreement for services or contractor work supplied to Saira Enterprises, to include work or service performed by its employees or agents, whether active or passive. The said indemnity and defense obligations shall further apply, whether said claim arises out of the concurrent act, omission, or negligence of the indemnified parties, whether active or passive. Contractor shall not be obligated to indemnify and defend Saira Enterprises for claims found to be due to the sole negligence or willful misconduct or Indemnified Parties.

Contractor's indemnification and defense obligations hereunder shall extend to claims occurring after any agreement is terminated as well as while it is in force and shall not until it is finally adjudicated that all actions against the Indemnified Parties for such matters which are indemnified hereunder are fully and finally barred by applicable Laws.

## **Section 9 – Vendor Invoicing**

Vendor Invoicing shall contain the following references (as applicable); (1) Unique Invoice Number, (2) Invoice Date, (3) Service Date, (4) Project Name, (5) Specific Hotel Name to be Charged, (6) Complete Address of Service Location, (7) Project Name(if applicable), (8) Work or Service Performed (Description), (9) Saira Enterprises Management Employee Authorizing Approving Work, Service or Purchase, (10) If Purchase, Work or Service was initiated by either a Vendor Work Order or Company Purchase Order, Indicate such reference on Billing Invoice.

## **Section 10 – Vendor Performance**

Internal vendor reviews will be performed periodically by Saira Enterprises for qualifying the vendor's service and performance. Being responsive and taking the appropriate follow up actions when there are service issues is a key factor in evaluating a vendor's performance. Being proactive and maintaining open communications between the vendor and company is imperative to resolving issues and producing positive outcomes. Communications is not only necessary it is an expectation.

## **Section 11 – Vendor Compliance Statement**

The preceding sections outline some common business protocols and reasonable expectations of the vendor by Saira Enterprises that are necessary. These requirements and guidelines are part of the responsibilities and duties of all company vendors and are hereby established as condition and obligation of the vendor while conducting business with the company. Prospective vendors and existing vendors should feel free to discuss any concerns they have with their company relationship representative for further explanation and clarification of the vendor Management Program Guidelines.

## **Section 12 – Company Contact for Vendor Management Program & Guidelines**

Please direct all related inquiries regarding the Vendor Management Program and Guidelines to the following email address:

[connect.sairaenterprise@gmail.com](mailto:connect.sairaenterprise@gmail.com)

All inquiries will be responded to in a timely fashion and every effort will be made to assist current and prospective vendor in expediting responses and/or the vendor set up process. When addressing inquiries for Saira Enterprises, please reference the Hotel Name and location address to avoid any confusion.

### **Exhibit A – Vendor Management Program**

#### **Vendor Management Program & Compliance Guidelines Vendor Set Up Processing Procedures**

- 1) Vendor Management Program & Compliance Guidelines, Vendor Set Up Form and W-9 Form will reside on the Saira Enterprises website at [www.sairaems.com](http://www.sairaems.com)
- 2) The Saira Enterprises Company representatives responsible for purchasing of goods and/or services on behalf of the company, shall direct all perspective vendors to the company website. The Vendor Management Program & Compliance Guidelines along with the associated Forms will reside in the “Quick Links” Section of the website at the bottom of the “Home Page” and will be indexed as “Vendor Information”.
- 3) Perspective Vendors should review the Vendor Management Program and Compliance Guidelines before proceeding to the “Vendor Set Up Form” and “W-9 Form”.
- 4) The Vendor Set Up Form is a “PDF Form” which needs to be completed in its entirety along with Vendor’s signature acknowledgement. Vendor Set Up Forms will not be forwarded for

processing into the company's vendor payment system unless the form is complete.

5) Once the Vendor Set Up Form is completed by the Vendor, the Vendor must attach the appropriate W-9 Form completed along with their Certificate of Insurance (COI) in the proper form, coverage and limits as required by the Vendor Management Program and Compliance Guidelines.

6) The Vendor's Completed Vendor Set Up Form, Certificate of Insurance (COI) and W-9 Forms should be emailed to [connect.sairaenterprise@gmail.com](mailto:connect.sairaenterprise@gmail.com). Every effort should be made to utilize electronic format by the Vendor for submission of the vendor set up package. This process will ensure proper receipt of the required documentation and maintain continuity in processing and will create an efficient and expedient process for both the Vendor and Company.

7) Upon receipt of the Vendor Set up Package through the [connect.sairaenterprise@gmail.com](mailto:connect.sairaenterprise@gmail.com), the set-up form will be reviewed initially for the completed data, proper Certificates of Insurance and Subcontractor contractor or vendor contract as applicable.

8) If the Vendor Set Up Package is complete and meets Vendor Management Program Requirements, the Vendor Set up Package will be forwarded to the appropriate Accounting Department designate for proper vendor set in the Company's vendor management and payment system. Certificate of Insurance will be scanned into the Company's vendor management and payment system with the appropriate expiration date of the Certificate of Insurance. It is the Vendors duty to ensure this Certificate remains "current" with respect to insurance coverage required to avoid their payment status being blocked in the system.

Vendor Inquiries should be directed to [connect.sairaenterprise@gmail.com](mailto:connect.sairaenterprise@gmail.com).



# Exhibit C - Vendor Sample

## CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
03/28/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER	CONTACT NAME: Agent Name	
	PHONE (A/C, No. Ext. #)	FAX (A/C, No. #)
E-MAIL ADDRESS: email address		
INSURER(S) AFFORDING COVERAGE		NAIC #
INSURED	INSURER A: Ins. Co. (AM Best A or better)	
	INSURER B: Ins. Co. (AM Best A or better)	
	INSURER C:	
	INSURER D:	
	INSURER E:	

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL BND	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	X	X	POLICY #			EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMFYOP AGG \$ 2,000,000
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input checked="" type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS  UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS MADE SED <input type="checkbox"/> RETENTION \$	X	X	POLICY #			COMBINED SINGLE UNIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/OWNER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	X	POLICY #		<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 100,000 E.L. DISEASE - EA EMPLOYEE \$ 100,000 E.L. DISEASE - POLICY LIMIT \$ 500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
Hotel Management Services, Inc. its subsidiaries, affiliates, and assignees, are included as additional insured on the above general liability and auto policies as required by contract (copy of endorsement attached). A waiver of subrogation also applies for general liability, auto liability and workers compensation (copies of endorsements attached).

CERTIFICATE HOLDER	CANCELLATION
Hotel Management Services, Inc 2304 Silverdale Dr. Suite 200 Johnson City, TN 37601	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE