IDAHO

State of Idaho

Participating Addendum

Purchase Order Summary

Purchase Order Number: PADD15200556
Account Number: AC-1
Purchase Order Date: December 11, 2014
Service Start Date: December 11, 2014
Service End Date: February 28, 2015
Payment Method: Invoice
Payment Terms: No Payment Terms specified
Currency USD
FOB Instruction: Destination
Attachment(s):

Supplier

Paul Campbell
CARDINAL HEALTH
CARDINAL HEALTH
7000 Cardinal Drive
Dublin, OH 43017
208-407-1546

Contract Number:

Bill To Address

DOP - Prog Mgr
Dept of Administration
Division of Purchasing
650 West State St Rm B-15
PO Box 83720
Boise, Idaho 83720

Phone: 208-332-1600
Fax: 208-327-7320
Email: purchasing@adm.idaho.gov
Mail Stop: DOP Program Manager

Ship To Address

DOP - Prog Mgr
Dept of Administration
Division of Purchasing
650 West State St Rm B-15
PO Box 83720
Boise, Idaho 83720

Phone: 208-332-1600
Fax: 208-327-7320
Email: purchasing@adm.idaho.gov
Mail Stop: DOP Program Manager

Instructions

NOTICE OF PARTICIPAting addendum (PADD) AWARD Contract for Pharmaceutical Product and Services for State of Idaho Healthcare facilities as per State of Minnesota (MMCAP) contract # MMS10001, between Cardinal Health, as Contractor and the State of Idaho as State. Contractor and State hereby agree as follows: Individual healthcare facilities will issue individual releases (delivery or purchase orders) against this Master Contract on an as needed basis. Contract term is December 11, 2014 thru February 28, 2015.

Contract Title: Pharmaceuticals

Delivery Zone/Area: Statewide Contract

Usage Type: Optional Use

Public Agency Clause: Yes

Contract Administration: Chelsea Cameron Phone Number: 208-322-1607 E-Mail: chelsea.cameron@adm.idaho.gov

Contractor's Primary Contact Attn: Paul Campbell ---Address: 7000 Cardinal Drive, Dublin, Ohio 43017 paul.campbell@cardinalhealth.com

Customer service numbers Phone Number: 800-633-0333 Fax Number: 800-488-3987 E-Mail: . ambulatory-national@cardinalhealth.com Technical Support Phone Number: 866-300-4357 Emergency Call Procedures- To be used for life critical emergency situations only that requires Product before the next scheduled delivery day. Phone Number (Normal business hours): 800-633-0333 Phone Number (Outside normal business hours): 501-908-5586

CONTRACTOR: Ship to the FOB DESTINATION point and BILL DIRECTLY to the ORDERING AGENCY. DO NOT MAIL INVOICES TO THE DIVISION OF PURCHASING. Notating the Contract Award Number on any invoices/statement will facilitate the efficient processing of payment.

QUANTITIES: The State of Idaho, Division of Purchasing can only give approximations of quantities and will not be held responsible for figures given in this document. For ordering and payment information see the above contact information THIS

CONTRACT, (including any files attached), CONSTITUTES THE STATE OF IDAHO S ACCEPTANCE OF YOUR SIGNED BID, QUOTATION, OR OFFER (including any electronic bid submission), WHICH SUBMISSION IS INCORPORATED HEREIN BY REFERENCE AS THOUGH SET FORTH IN FULL. In the event of any inconsistency, unless otherwise provided herein, such inconsistency shall be resolved by giving precedence in the following order:

1. This Statewide Blanket Purchase Order document.

2. The original solicitation document.

3. The Contractor s signed bid, quotation, or offer. INVOICES MUST BE SENT TO THE IDAHO ORDERING AGENCY.

Supplier Part Number	Quantity	Items Back Order	Unit	Unit Price	Total
	3	0	MON	$250,000.00	$750,000.00

Item Description #1

Pharmaceutical Products and Services for Idaho Healthcare Facilities as per MMCAP contract MMS10001.

Delivery Date: December 11, 2014
Shipping Method: Delivery
Shipping Instructions:
Ship FOB: Destination
Attachment(s)
Special Instructions:

Ship to the FOB DESTINATION point and BILL DIRECTLY to the ORDERING AGENCY. DO NOT MAIL INVOICES TO THE DIVISION OF PURCHASING.

Sub-Total (USD)	$750,000.00
Estimated Tax (USD)	$0.00
TOTAL: (USD)	$750,000.00

Note: If there is a ⇩ next to an item's unit price, that indicates that the price has been discounted.

Chelsea Cameron

Chelsea Cameron

STATE OF MINNESOTA
DEPARTMENT OF ADMINISTRATION
MINNESOTA MULTISTATE CONTRACTING ALLIANCE FOR PHARMACY

This contract is between MMCAP of Minnesota, acting through its Commissioner of Administration, on behalf of the Minnesota Multistate Contracting Alliance for Pharmacy ("MMCAP") and Cardinal Health 110, Inc. and Cardinal Health 411, Inc. (collectively, "Vendor"), 7000 Cardinal Place, Dublin, OH 43015.

Recitals

1. Under Minn. Stat. § 16C.03, the Commissioner of Administration, on behalf of MMCAP, is empowered to engage such assistance as deemed necessary.
2. MMCAP is a group purchasing organization of government-run health care facilities which contracts for pharmaceuticals and certain health care products for its members' use. Participation in MMCAP is limited to facilities within member states that are specifically permitted by the member state's statutes to purchase goods from the member state's contracts. Participation is generally available to facilities run by state agencies, cities, townships, and counties.
3. The Vendor wishes to contract with MMCAP to provide the services of a pharmaceutical prime vendor to distribute pharmaceuticals, OTCs, nutritionals, and vaccines (other than influenza vaccines).

Contract

1 Term of Contract

1.1 ***Effective date***: November 30, 2009, or the date MMCAP obtains all required signatures under Minnesota Statutes Section 16C.05, subdivision 2, whichever is later.
The Vendor must not begin work under this contract until this contract is fully executed and the Vendor has been notified by MMCAP's Authorized Representative to begin the work. Further, the pricing and other benefits offered under this contract will not be available until all required signatures are obtained as set forth above.

1.2 ***Expiration date***: October 31, 2011, or until all obligations have been satisfactorily fulfilled, whichever occurs first. The Contract may be extended for up to three (3) additional one (1)-year periods based on written acceptance of both parties, for a total term not to exceed five (5) years.

1.3 ***Survival of Terms.*** The following clauses survive the expiration or cancellation of this Contract: 8 Notices; 9 Assignment, Amendments, Waiver, and Contract Complete; 10 Liability; 11 Audits; 12 Government Data Practices; 13 Intellectual Property and Data; 15 Publicity and Endorsement; 16 Governing Law, Jurisdiction, and Venue; 36 State Terms and Participation.

2 Definitions

The definitions set forth in the Attachments attached and incorporated herein shall apply to this Contract.

3 Time

The Vendor must comply with all the time requirements described in this contract. In the performance of this contract, time is of the essence.

4 Vendor's Duties

The Vendor, who is not a state employee, will provide services in accordance with the Attachments as attached and incorporated herein.

5 Fees and Payment

5.1 ***Fees.*** Subject to Attachment B, as attached and incorporated herein, all changes to the MMCAP Service Fee Matrix will be communicated to the MMCAP Office in writing with a minimum of five (5) business days notice. Vendor service fees may only change on a quarterly or less frequent basis.

5.2 ***Additional Fees.*** Subject to Attachment B, no fee, percentage, or other cost may be added to the products purchased under the MMCAP contract unless the fee, percentage, or cost is defined and approved in writing by MMCAP and a formal amendment is executed.

5.3 ***Retainage.*** If applicable, under Minnesota Statutes Section 16C.08, subdivision 5(b), no more than 90% of the amount due under this contract may be paid until the final product of this contract has been reviewed by MMCAP's agency head and/or where applicable, an MMCAP Member located in Minnesota. The balance due will be paid when MMCAP's agency head and/or where applicable, an MMCAP Member located in Minnesota determines that the Vendor has satisfactorily fulfilled all the terms of this contract.

5.4 ***Federal funds.*** Payments under this contract may be made from federal funds. The Vendor is responsible for compliance with all federal requirements imposed on these funds and accepts full financial responsibility for any requirements imposed by the Vendor's failure to comply with federal requirements.

6 Conditions of Payment

All services provided by the Vendor under this contract must be performed to MMCAP's satisfaction (directed by the MMCAP Participating Facility or MMCAP Member),, as determined at the reasonable discretion of MMCAP's Authorized Representative, and in accordance with all applicable federal, state, and local laws, ordinances, rules, and regulations. The Vendor will not receive payment for work found by MMCAP (directed by the MMCAP Participating Facility or MMCAP Member) to be unsatisfactory or performed in violation of federal, state, or local law.

7 Authorized Representatives

MMCAP's Authorized Representative is Alan Dahlgren, MMCAP Managing Director, or his/her successor, and has the responsibility to monitor the Vendor's performance and the authority to accept the services provided to MMCAP under this contract.

The Vendor's Authorized Representative is Don Lyle, Vice President – Account Management, 7000 Cardinal Place, Dublin, OH 43017, (614) 757-7782, or his/her successor. If the Vendor's Authorized Representative changes at any time during this contract, the Vendor must immediately notify MMCAP.

8 **Notices.** If one party is required to provide legal notice or notice under the terms of the contract to the other, such notice will be in writing and will be effective upon receipt. Delivery shall be by certified United States mail or by facsimile transmission provided the receipt of the transmission is confirmed by the receiving party. Either party must notify the other of a change in address for notification purposes. All notices to MMCAP should be addressed as follows:

MMCAP Managing Director	*Vendor*
50 Sherburne Avenue, Suite 112	7000 Cardinal Place
St. Paul, MN 55155	Dublin, OH 43017
Fax: 651.297.3996	Fax: 614.757.8782

9 Assignment, Amendments, Waiver, and Contract Complete

9.1 ***Assignment.*** Neither party may assign or transfer any rights or obligations under this contract without the prior consent of the other party and a fully executed Assignment Agreement, executed and approved by the same parties who executed and approved this contract, or their successors in office.

9.2 ***Amendments.*** Any amendment to this contract must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original contract, or their successors in office. **THE VENDOR SHALL NOT ENTER INTO ANY ADDITIONAL AGREEMENT, WITH ANY MMMCAP MEMBER OR MMACP PARTICIPATING FACILITY, ARISING FROM THIS AGREEMENT OR SIMILAR SERVICES, OR AMEND THIS AGREEMENT IN ANY WAY, WITHOUT THE WRITTEN AUTHORIZATION OF MMCAP'S MANAGING DIRECTOR.**

9.3 ***Waiver.*** If either party fails to enforce any provision of this contract, that failure does not waive the provision or its right to enforce it.

9.4 ***Contract Complete.*** This contract contains all negotiations and agreements between MMCAP and the Contractor. No other understanding regarding this contract, whether written or oral, may be used to bind either party.

10 Liability

The Vendor must indemnify, save, and hold MMCAP, MMCAP Members and the State of Minnesota, its agents, and employees harmless from any claims or causes of action, including reasonable attorney's fees incurred by MMCAP, arising from the performance of this contract by the Vendor or the Vendor's agents or employees. This clause will not be construed to bar any legal remedies the Vendor may have for MMCAP's failure to fulfill its obligations under this contract.

VENDOR DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY, NON-INFRINGEMENT OR FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT WILL VENDOR BE LIABLE TO THE STATE, MMCAP, ANY MMCAP MEMBER OR ANY MMCAP PARTICIPATING FACILITY FOR ANY INCIDENTAL, CONSEQUENTIAL OR SPECIAL CLAIMS, SPECIAL LIABILITIES OR SPECIAL DAMAGES.

11 Audits

11.1 Under Minn. Stat. § 16C.05, subd. 5, the Vendor's books, records, documents, and accounting procedures and practices relevant to this contract are subject to examination by the State, MMCAP, and/or the State Auditor or Legislative Auditor, as appropriate, for a minimum of six (6) years from the end of this contract.

11.2 The MMCAP Office and any MMCAP Participating Facility Vendor serves shall have the right to audit Vendor to determine the validity of invoice pricing. Audits may be conducted by representatives of MMCAP in collaboration with other state and federal authorities.

11.3 Such audits may be conducted only during ordinary business hours and upon reasonable prior notice. The Vendor and MMCAP and/or the MMCAP Participating Facility shall each be responsible for its own costs associated with any audit, including reasonable costs related to the production of records and/or other documents requested by the other party.

12 Government Data Practices and Intellectual Property

12.1. ***Government Data Practices.*** The Vendor and State must comply with the Minnesota Government Data Practices Act, Minn. Stat. Ch. 13, (or, if MMCAP contracting party is part of the judicial branch, with the Rules of Public Access to Records of the Judicial Branch promulgated by the Minnesota Supreme Court as the same may be amended from time to time) as it applies to all data provided by MMCAP under this contract, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Vendor under this contract. The civil remedies of Minn. Stat. § 13.08 apply to the release of the data governed by the Minnesota Government Practices Act, Minn. Stat. Ch. 13, by either the Vendor or MMCAP.

If the Vendor receives a request to release the data referred to in this Clause, the Vendor must immediately notify MMCAP. MMCAP will give the Vendor instructions concerning the release of the data to the requesting party before the data is released.

13 Intellectual Property and Data

13.1 MMCAP owns all rights, title, and interest in MMCAP customer data, sales transaction data, DEA/HIN information (subject to third-party rights), contract pricing, EDI transaction data, reverse distribution data, and payment data, including copyrights and trade secrets contained therein. MMCAP grants to Vendor an unlimited, non-revocable, nontransferable, fully paid license, for the term of this contract, to (i) release state specific data to

an MMCAP Member's State Contact, MMCAP Participating Facilities; (ii) release any of the above data to product manufacturers, when necessary for the performance of this contract or as required by Vendor's agreements with such product manufacturers; (iii) to release any of the above data to other MMCAP-approved third parties, when necessary for the performance of this contract; (iv) to provide MMCAP Participating Facility purchase data to aggregators, including IMS Health and NDC Health, subject to Vendor's reasonable efforts to require such data aggregators to protect any identifiable data from discovery by another third party; and (v) to provide MMCAP Participating Facility purchase data to other group purchasing organizations of which the MMCAP Participating Facility is also a member, provided such data will not include MMCAP-identifiable data. Any MMCAP identifiable data provided hereunder to a third party must identify the data as MMCAP data and subject to Minn. Stat. Ch. 13. Vendor hereby agrees that in the event that an MMCAP Member or MMCAP Participating Facility requests in writing that its purchase data be kept confidential, such data will not be provided to third party aggregators.

13.2 Vendor owns all rights, title, and interest to any aggregated data not identifiable as arising from this contract and any other intellectual property created for or presented to MMCAP. Vendor grants to MMCAP an unlimited, non-revocable, non-transferable, fully paid license, for the term of this contract, to use all intellectual property created for or presented to MMCAP under this contract.

13.3 ***Pre-Existing Intellectual Property.*** MMCAP and Vendor shall each retain ownership of, and all right and, title and interest in and to, their respective pre-existing intellectual property. Vendor grants to State an unlimited, royalty-free, paid up, perpetual, non-exclusive, irrevocable, non-transferable license to use and modify any pre-existing Vendor intellectual property, including marketing materials and materials contained in solicitation responses provided by Vendor to MMCAP, an MMCAP Member, or MMCAP Participating Facility. The aforementioned license is solely for use by MMCAP, an MMCAP Member, or MMCAP Participating Facility, and its agents related to an internal business purposes.

13.4 ***Intellectual Property Warranty and Indemnification.*** Except as otherwise set forth below, Vendor warrants that any materials, software or products produced by Vendor will not infringe upon or violate any patent, copyright, trade secret, or any other proprietary right of any third party. In the event of any such claim by any third party against MMCAP, MMCAP will promptly notify Vendor. Vendor, at its own expense, will indemnify; defend to the extent permitted by the Minnesota Attorney General's Office, and hold harmless MMCAP against any loss, cost, expense, or liability (including reasonable legal fees) arising out of such a claim, whether or not such claim is successful against MMCAP.

If such a claim has occurred, or in the Vendor's opinion is likely to occur, the Vendor will either procure for MMCAP the right to continue using the materials or products or replacement or modified materials or products. If an option satisfactory to MMCAP is not reasonably available, MMCAP will return the materials or products to the Vendor, upon written request of the Vendor and at the Vendor's expense. This remedy is in addition to any other remedy provided by law.

In the event of a third party claim of infringement by any material, software or product provided by Vendor or utilized by Vendor in the performance of this contract, but produced by a third party, Vendor's indemnification obligations set forth in Section 13.4 shall apply to the extent that the third party's indemnification obligation to the Vendor is available to MMCAP or Vendor will assist MMCAP in tender of such claim directly to the manufacturer of such material, software or product.

14 Workers' Compensation and Other Insurance

Vendor certifies that it is in compliance with all insurance requirements specified in the solicitation document relevant to this contract. Vendor shall not commence work under the contract until they have obtained all the insurance specified in the solicitation document. Vendor shall maintain such insurance in force and effect throughout the term of the contract.

Further, the Vendor certifies that it is in compliance with Minn. Stat. § 176.181, subd. 2, pertaining to workers' compensation insurance coverage. The Vendor's employees and agents will not be considered State employees.

Any claims that may arise under the Minnesota Workers' Compensation Act on behalf of these employees or agents and any claims made by any third party as a consequence of any act or omission on the part of these employees or agents are in no way MMCAP's obligation or responsibility.

A. Vendor shall not commence work under the contract until they have obtained all the insurance described below and MMCAP has approved such insurance. Vendor shall maintain such insurance in force and effect throughout the term of the contract.

B. Vendor is required to maintain and furnish satisfactory evidence of the following insurance policies:

1. **Workers' Compensation Insurance:** Except as provided below, Vendor must provide Workers' Compensation insurance for all its employees and, in case any work is subcontracted, Vendor will require the subcontractor to provide Workers' Compensation insurance in accordance with the statutory requirements of the State of Minnesota, including Coverage B, Employer's Liability. Insurance **minimum** limits are as follows:

   $100,000 – Bodily Injury by Disease per employee
   $500,000 – Bodily Injury by Disease aggregate
   $100,000 – Bodily Injury by Accident

   If Minnesota Statute 176.041 exempts Vendor from Workers' Compensation insurance or if the Vendor has no employees in the State of Minnesota, Vendor must provide a written statement, signed by an authorized representative, indicating the qualifying exemption that excludes Vendor from the Minnesota Workers' Compensation requirements.

   If during the course of the contract the Vendor becomes eligible for Workers' Compensation, the Vendor must comply with the Workers' Compensation Insurance requirements herein and provide MMCAP with a certificate of insurance.

2. **Commercial General Liability Insurance:** Vendor is required to maintain insurance protecting it from claims for damages for bodily injury, including sickness or disease, death, and for care and loss of services as well as from claims for property damage, including loss of use which may arise from operations under the Contract whether the operations are by the Vendor or by a subcontractor or by anyone directly or indirectly employed by the Vendor under the contract. Insurance **minimum** limits are as follows:

   $5,000,000 – per occurrence
   $5,000,000 – annual aggregate

   The following coverages shall be included:

   Premises and Operations Bodily Injury and Property Damage
   Personal and Advertising Injury
   Blanket Contractual Liability

   Other; if applicable, please list_____
   State of Minnesota named as an Additional Insured

3. **Products and Completed Operations Liability Insurance** with a per occurrence limit of Five Million Dollars ($5,000,000). Vendor may self-insure and self-administer all or any portion of the required insurance, and to the extent that Vendor does self-insure, such insurance will not be deemed to exceed the scope of coverage and/or limits that would have been provided in an actual policy of insurance that satisfies this insurance requirement. To the extent that Vendor is not self-insured for Products and Completed Operations Liability, State of Minnesota shall be named as an additional insured in such

insurance policies and such additional insured coverage will only apply to MMCAP's liability for damages caused by the acts or omissions of Vendor in the performance of this Agreement. Such additional insured status will end upon the termination or expiration of this Agreement.

4. **Commercial Automobile Liability Insurance:** Vendor is required to maintain insurance protecting it from claims for damages for bodily injury as well as from claims for property damage resulting from the ownership, operation, maintenance or use of all owned, hired, and non-owned autos which may arise from operations under this contract, and in case any work is subcontracted the vendor will require the subcontractor to maintain Commercial Automobile Liability insurance. Insurance **minimum** limits are as follows:

   $2,000,000 – per occurrence Combined Single limit for Bodily Injury and Property Damage

   In addition, the following coverages should be included:

   Owned, Hired, and Non-owned Automobile

5. **Professional/Technical, Errors and Omissions, and/or Miscellaneous Liability Insurance**

   This policy will provide coverage for all claims the Vendor may become legally obligated to pay resulting from any actual or alleged negligent act, error, or omission related to Vendor's professional services required under the contract.

   Vendor is required to carry the following **minimum** limits:

   $2,000,000 – per claim or event
   $2,000,000 – annual aggregate

   Any deductible will be the sole responsibility of the Vendor

   The retroactive or prior acts date of such coverage shall not be after the effective date of this Contract and Vendor shall maintain such insurance for a period of at least three (3) years, following completion of the work. If such insurance is discontinued, extended reporting period coverage must be obtained by Vendor to fulfill this requirement.

C. Additional Insurance Conditions:

- Vendor's policy(ies) shall be primary insurance to any other valid and collectible insurance available to MMCAP with respect to any claim arising out of Vendor's performance under this contract;
- Vendor's policy(ies) and Certificate(s) of Insurance shall contain a provision that coverage afforded under the policy(ies) shall not be cancelled without at least thirty (30) days advanced written notice to MMCAP;
- Vendor is responsible for payment of Contract related insurance premiums and deductibles;
- If Vendor is self-insured, a Certificate of Self-Insurance must be attached;
- Vendor's policy(ies) shall include legal defense fees, if reasonably available to the Vendor, in addition to its liability policy limits, with the exception of B.4 above;
- Vendor shall obtain insurance policy(ies) from insurance company(ies) having an "AM BEST" rating of A- (minus); Financial Size Category (FSC) VII or better, and authorized to do business in the State of Minnesota; and
- An Umbrella or Excess Liability insurance policy may be used to supplement the Vendor's policy limits to satisfy the full policy limits required by the Contract.

D. MMCAP reserves the right to immediately terminate the contract if the Vendor is not in compliance with the insurance requirements and retains all rights to pursue any legal remedies against the Vendor. All insurance

policies must be open to inspection by MMCAP, and copies of policies must be submitted to MMCAP's authorized representative upon written request.

E. The Vendor is required to submit Certificates of Insurance acceptable to MMCAP as evidence of insurance coverage requirements prior to commencing work under the contract.

15 Publicity and Endorsement

15.1 ***Publicity***. Any publicity by Vendor regarding the subject matter of this contract must identify MMCAP as the sponsoring agency and must not be released without prior written approval from MMCAP's Authorized Representative. Any publicity by MMCAP regarding the subject matter of this contract must not be released without the prior written notice of Vendor's Authorized Representative, except that MMCAP may publicize non-trade secret information in the normal course of business in order to promote its services. For purposes of this provision, publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Vendor individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this contract.

15.2 ***Endorsement***. The Vendor must not claim that MMCAP endorses its products or services, nor may MMCAP claim that Vendor endorses its products or services.

16 Governing Law, Jurisdiction, and Venue

Minnesota law, without regard to its choice-of-law provisions, governs this contract. Venue for all legal proceedings arising out of this contract, or its breach, must be in the appropriate state or federal court with competent jurisdiction in Ramsey County, Minnesota.

17 Data Disclosure

Under Minn. Stat. § 270C.65, Subd. 3 and other applicable law, the Vendor consents to disclosure of its social security number, federal employer tax identification number, and/or Minnesota tax identification number, already provided to MMCAP, to federal and state agencies and state personnel involved in the payment of state obligations. These identification numbers may be used in the enforcement of federal and state laws which could result in action requiring the Vendor to file state tax returns, pay delinquent state tax liabilities, if any, or pay other state liabilities. These numbers will be available to federal and State tax authorities and MMCAP personnel involved in the payment of MMCAP obligations.

18 Payment to Subcontractors

If applicable, as required by Minn. Stat. § 16A.1245, the prime Vendor must pay all subcontractors, less any retainage, within ten (10) calendar days of the prime contractor's receipt of payment from the State of Minnesota for undisputed services provided by the subcontractor(s) and must pay interest at the rate of one and one-half percent per month or any part of a month to the subcontractor(s) on any undisputed amount not paid on time to the subcontractor(s).

19 Termination

19.1 ***Termination by MMCAP without cause.*** MMCAP or commissioner of Administration may cancel this contract at any time without cause, upon no less than ninety (90) days' written notice to the Vendor. Upon termination, the Vendor will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed.

19.2 ***Termination by Either Party With Cause.*** MMCAP, the Minnesota Commissioner of Administration, or Vendor may cancel this contract at any time, with cause, upon no less than ninety (90) days' written notice to the other party. Upon notice of termination, the breaching party shall have forty-five (45) days to cure any defects, subject to the Dispute Resolution language contained herein. Timelines set forth in the Dispute Resolution language shall not apply in cases where notice of termination has been issued.

19.3 ***Termination for Insufficient Funding***. MMCAP may immediately terminate this contract if it does not obtain funding from the Minnesota Legislature, or other funding source; or if funding cannot be continued at a

level sufficient to allow for the payment of the services covered here. Termination must be by written or fax notice to the Vendor. MMCAP is not obligated to pay for any services that are provided after notice and effective date of termination. However, the Vendor will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed to the extent that funds are available. MMCAP will not be assessed any penalty if the contract is terminated because of the decision of the Minnesota Legislature, or other funding source, not to appropriate funds. MMCAP must provide the Vendor notice of the lack of funding within a reasonable time of MMCAP's receiving that notice.

20 Minn. Stat. § 181.59

The vendor will comply with the provisions of Minn. Stat. § 181.59 which requires:

Every contract for or on behalf of MMCAP of Minnesota, or any county, city, town, township, school, school district, or any other district in MMCAP, for materials, supplies, or construction shall contain provisions by which the Vendor agrees: (1) That, in the hiring of common or skilled labor for the performance of any work under any contract, or any subcontract, no Vendor, material supplier, or vendor, shall, by reason of race, creed, or color, discriminate against the person or persons who are citizens of the United States or resident aliens who are qualified and available to perform the work to which the employment relates; (2) That no Vendor, material supplier, or vendor, shall, in any manner, discriminate against, or intimidate, or prevent the employment of any person or persons identified in clause (1) of this section, or on being hired, prevent, or conspire to prevent, the person or persons from the performance of work under any contract on account of race, creed, or color; (3) That a violation of this section is a misdemeanor; and (4) That this contract may be canceled or terminated by MMCAP, county, city, town, school board, or any other person authorized to grant the contracts for employment, and all money due, or to become due under the contract, may be forfeited for a second or any subsequent violation of the terms or conditions of this contract.

21 Affirmative Action Requirements for Contracts in Excess of $100,000 and if the Vendor has More than 40 Full-time Employees in Minnesota or its Principal Place of Business

MMCAP intends to carry out its responsibility for requiring affirmative action by its Vendors.

21.1 ***Covered Contracts and Vendors.*** If the Contract exceeds $100,000 and the vendor employed more than 40 full-time employees on a single working day during the previous 12 months in Minnesota or in the state where it has its principle place of business, then the Vendor must comply with the requirements of Minn. Stat. § 363A.36 and Minn. R. Parts 5000.3400-5000.3600. A vendor covered by Minn. Stat. § 363A.36 because it employed more than 40 full-time employees in another state and does not have a certificate of compliance, must certify that it is in compliance with federal affirmative action requirements.

21.2 ***Minn. Stat. § 363A.36.*** Minn. Stat. § 363A.36 requires the Vendor to have an affirmative action plan for the employment of minority persons, women, and qualified disabled individuals approved by the Minnesota Commissioner of Human Rights ("Commissioner") as indicated by a certificate of compliance. The law addresses suspension or revocation of a certificate of compliance and contract consequences in that event. A contract awarded without a certificate of compliance may be voided.

21.3 ***Minn. R. 5000.3400-5000.3600.***

(A) *General.* Minn. R. 5000.3400-5000.3600 implement Minn. Stat. § 363A.36. These rules include, but are not limited to, criteria for contents, approval, and implementation of affirmative action plans; procedures for issuing certificates of compliance and criteria for determining a vendor's compliance status; procedures for addressing deficiencies, sanctions, and notice and hearing; annual compliance reports; procedures for compliance review; and contract consequences for non-compliance. The specific criteria for approval or rejection of an affirmative action plan are contained in various provisions of Minn. R. 5000.3400-5000.3600 including, but not limited to, parts 5000.3420-5000.3500 and 5000.3552-5000.3559.

(B) *Disabled Workers.* The Vendor must comply with the following affirmative action requirements for disabled workers.

(1) The Vendor must not discriminate against any employee or applicant for employment because of physical or mental disability in regard to any position for which the employee or applicant for employment is qualified. The Vendor agrees to take affirmative action to employ, advance in

employment, and otherwise treat qualified disabled persons without discrimination based upon their physical or mental disability in all employment practices such as the following: employment, upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

(2) The Vendor agrees to comply with the rules and relevant orders of the Minnesota Department of Human Rights issued pursuant to the Minnesota Human Rights Act.

(3) In the event of the Vendor's noncompliance with the requirements of this clause, actions for noncompliance may be taken in accordance with Minnesota Statutes Section 363A.36, and the rules and relevant orders of the Minnesota Department of Human Rights issued pursuant to the Minnesota Human Rights Act.

(4) The Vendor agrees to post in conspicuous places, available to employees and applicants for employment, notices in a form to be prescribed by the commissioner of the Minnesota Department of Human Rights. Such notices must state the Vendor's obligation under the law to take affirmative action to employ and advance in employment qualified disabled employees and applicants for employment, and the rights of applicants and employees.

(5) The Vendor must notify each labor union or representative of workers with which it has a collective bargaining agreement or other contract understanding, that the vendor is bound by the terms of Minnesota Statutes Section 363A.36, of the Minnesota Human Rights Act and is committed to take affirmative action to employ and advance in employment physically and mentally disabled persons.

(C) *Consequences*. The consequences for the Vendor's failure to implement its affirmative action plan or make a good faith effort to do so include, but are not limited to, suspension or revocation of a certificate of compliance by the Commissioner, refusal by the Commissioner to approve subsequent plans, and termination of all or part of this contract by the Commissioner or MMCAP.

(D) *Certification*. The Vendor hereby certifies that it is in compliance with the requirements of Minn. Stat. § 363A.36 and Minn. R. 5000.3400-5000.3600 and is aware of the consequences for noncompliance.

22 Foreign Outsourcing

Vendor agrees that the disclosures and certifications made in its Location of Service Disclosure and Certification Form submitted with its proposal are true, accurate and incorporated into this contract by reference.

23 Employee Status

By order of the Governor's Executive Order 08-01, if this contract, including any extension options, is or could be in excess of $50,000, Vendor certifies that it and its subcontractors:

1. Comply with the Immigration Reform and Control Act of 1986 (U.S.C. 1101 et. seq.) in relation to all employees performing work in the United States and do not knowingly employ persons in violation of the United States' immigrations laws; and

2. By the date of the performance of services under this contract, Vendor and all its subcontractors have implemented or are in the process of implementing the *E-Verify* program for all newly hired employees in the United States who will perform work on behalf of MMCAP

Vendor shall obtain certifications of compliance with this section from all subvendors who will participate in the performance of this contract. Subcontractor certifications shall be maintained by Vendor and made available to MMCAP upon request. If Vendor or its subcontractors are not in compliance with 1 or 2 above or have not begun or implemented the *E-Verify* program for all newly hired employees performing work under the contract, MMCAP reserves the right to determine what action it may take including but not limited to, cancelling the contract and/or suspending or debarring the vendor from state purchasing.

24 GPO Representation. MMCAP represents and warrants that it is a "group purchasing organization" as that term is defined under 42 C.F.R. Section 1001.952(j) and that it shall comply with all applicable federal and state laws,

rules and regulations, including, but not limited to, the provisions set forth in 42 U.S.C. Section 1320a-7b and the "safe harbor regulations" set forth in 42 C.F.R. Section 1001.952.

25 **Contingency Fees Prohibited.** Pursuant to Minnesota Statutes Section 10A.06, no person may act as or employ a lobbyist for compensation that is dependent upon the result or outcome of any legislation or administrative action.

26 **Risk of Loss, Damage, and Shipping Terms.** Shipments under this contract shall be FOB Destination, freight prepaid and allowed, to the MMCAP Participating Facilities receiving dock or pharmacy, unless otherwise stated in the SOW. Title to and risk of loss of the products transfers to the MMCAP Participating Facility upon delivery to the MMCAP Participating Facility, as set forth above.

27 **Force Majeure.** Neither party hereto will be considered in default in the performance of its obligations hereunder to the extent that performance of any such obligations is prevented or delayed by acts of God, war, riot or other catastrophes beyond the reasonable control of the party unless the act or occurrence could have been reasonably foreseen and reasonable action could have been taken to prevent the delay or failure to perform. A party defaulting under this provision must provide the other party prompt written notice of the default and take all necessary steps to bring about performance as soon as practicable.

28 **Default.** An MMCAP Participating Facility's purchase order constitutes a binding agreement. All commodities furnished will be subject to inspection and acceptance by the ordering entity after delivery. No substitutions or cancellations are permitted without written approval of the MMCAP Participating Facility contracting agency. Back orders, as defined in Attachment A, failure to meet delivery requirements, or failures to meet specifications in the purchase order and/or the contract authorizes the ordering entity to cancel the purchase order, or any portion of it, purchase elsewhere, and charge the full increase in cost and administrative handling to the Vendor. In the event of default, MMCAP and the MMCAP Participating Facility reserve the right to pursue any other remedy available by law. A vendor may be removed from the vendors list, suspended or debarred from receiving a contract for failure to comply with terms and conditions of the contract, or for failure to pay MMCAP or the MMCAP Participating Facility for the cost incurred on the defaulted contract. An MMCAP Participating Facility may change its PPV even if the rest of the MMCAP Participating Facility's state does not wish to change its PPV.

29 **Severability.** If any provision of the Contract, including items incorporated by reference, is found to be illegal, unenforceable, or void, then both MMCAP and the Contract Vendor will be relieved of all obligations arising under such provisions. If the remainder of the Contract is capable of performance it will not be affected by such declaration or finding and will be fully performed.

30 **Dispute Resolution.**
Vendor and MMCAP Participating Facilities will handle dispute resolution for unresolved issues using the following procedure.

A. Notification: Parties shall promptly notify each other of any known dispute and work in good faith to resolve such dispute within a reasonable period of time.

B. Documentation: Both the MMCAP Participating Facility and the Vendor will jointly develop a short briefing document that describes the issue(s), relevant impact, and positions of both parties. The briefing document must be sent by the Vendor to the MMCAP Office, the MMCAP Participating Facility, and the Vendor's MMCAP Primary Account Representative.

C. Escalation:
If parties are unable to resolve the issue in a timely manner, as specified above, either the MMCAP Participating Facility or Vendor may escalate the resolution of the issue to a higher level of management. Where escalation of the issue proves ineffective, either party may contact the MMCAP Office and/or the Vendor's MMCAP Representative for further resolution. When escalated to MMCAP, a teleconference will be scheduled with the

MMCAP Office and the Vendor's MMCAP Primary Account Representative to review the briefing document and develop a proposed resolution and plan of action. The plan and timeline must be agreed to by all parties – the MMCAP Office, the MMCAP Participating Facility, and Vendor. The Vendor will have a reasonable amount of time to cure the issue.

D. Performance while Dispute is Pending. Notwithstanding the existence of a dispute the Vendor must continue without delay to carry out all of their responsibilities under the contract that are not affected by the dispute. If the Vendor fails to continue without delay to perform its responsibilities under the contract, in the accomplishment of all undisputed work, any additional costs incurred by MMCAP and/or MMCAP members as a result of such failure to proceed shall be borne by the Vendor.

E. Participating Facility Rights. In the event an MMCAP Participating Facility cannot resolve a dispute with the Vendor, and the MMCAP Participating Facility has worked with the MMCAP Office to resolve the dispute, the MMCAP Participating Facility may change its Prime Vendor even if the rest of the MMCAP Member state does not wish to change its Prime Vendor.

F. Vendor Rights. In the event of an MMCAP Participating Facility's payment default of undisputed invoices or credit considerations that demonstrate a reasonable inability to make payment, the Vendor may terminate this contract as to such MMCAP Participating Facility. Vendor's right to terminate this contract as to the offending MMCAP Participating Facility shall be further subject to the disputed invoice requirements set forth in Attachment A.

G. No Waiver

This clause shall in no way limit or waive either party's right to seek available legal or equitable remedies.

31 **Liquidated Damages-** Vendor agrees to provide the MMCAP Office with a Liquidated Damages Dispute Resolution fund for the purposes of compensating failure to perform in accordance with the services agreed to in the terms of this agreement. Reimbursement for Liquidated Damages will be paid at the rate of $90 per hour, for actual hours expended by the MMCAP Office for resolution of the the instances set forth below. The funds provided will be capped at $45,000 annually. Vendor and MMCAP Office will utilize the Dispute Resolution process Sect. 30. in the event an MMCAP Participating Facility wishes to request Liquidated Damages as set forth herein. The amount of Liquidated Damages paid for the dispute submitted will be determined at the time of the Dispute Resolution process based upon the hours required for resolution of the issue. Vendor is to pay any Liquidated Damages within thirty (30) days of resolution of the issue giving rise or conclusion of Dispute Resolution.

31.1 ***Reports.*** The MMCAP Program is dependent upon the proper receipt of reports and/or data from the Vendor. In the event that any insufficient reports and/or data provided by the Vendor causes financial loss or harm to MMCAP Office or MMCAP Participating Facility Vendor shall pay Liquidated Damages as set forth herein.

31.2 ***Invoices.*** Where Vendor submits subsequent invoices for any fees not related directly to product cost, Vendor shall reference the original invoice number or purchase order number. In the event that invoices are submitted as required above, Vendor shall pay Liquidated Damages, as set forth herein.

31.3 ***Inventory Management and Management of MMCAP Contract Products Contracted*** NDC (National Drug Code) product must be loaded, stocked, and viewable by all MMCAP Participating Facilities, as required pursuant to this agreement and within the timelines set forth herein. Where Vendor fails to meet this requirement more regularly than five (5) occurrences per MMCAP Participating Facility per year, Liquidated Damages shall apply.

31.4 ***Delivery Delays.*** Deliveries shall be made by the Vendor in accordance with the time schedules specified in Attachment A or as otherwise agreed upon by the Vendor and MMCAP Participating Facility. In the event that deliveries are not made in accordance with the above for two or more consecutive delivery days, Vendor shall pay Liquidated Damages, as set forth herein. Liquidated Damages shall not apply to deliveries made up to ninety minutes before or after the time schedules specified in Attachment A. Vendor shall not be responsible for paying the aforementioned fee for delays outside of its control.

31.5 ***Bid Roll.*** Upon manufacturer bid roll, all MMCAP Contracted Products shall be loaded and , and viewable by all MMCAP Participating Facilities within two (2) business days. Timing to bring a newly awarded item from a bid roll into stock is dependent upon the receipt of data feed from MMCAP Office, contract confirmation and the manufacturers lead times. Vendor shall pay Liquidated Damages, as set forth herein, if the Vendor does not perform bringing product into stock as outlined in Attachment A or where bid roll is not loaded and viewable as per the above.

31.6 ***Ordering Information.*** The MMCAP Program is dependent upon the Vendor to provide accurate ordering information to its members. Ordering information provided on Cardinal.com may show differing prices to similarly situated MMCAP Participating Facilities due to tiered pricing and eligibility. In the event an MMCAP Contracted Product is not loaded correctly and an MMCAP Participating Facility must order alternatives, Vendor will compensate the MMCAP Participating Facility for the replacement cost, as stated in Inventory Management section 4.5 C8 in Attachment A. Said replacement cost shall not be deducted from the Liquidated Damages Fund as set forth herein.

In the event of a systematic or system-wide error that significantly effects a majority of the MMCAP Participating Facilities, Vendor shall pay Liquidated Damages, as set forth herein, until resolution of the issue.

31.7 ***Business Interruption Plan.*** Vendor will use reasonable efforts to avoid a systemic business interruption that materially affects Vendor's ability to perform its obligations under this Agreement, excluding those systemic business interruptions caused by an event of force majeure; subject to reasonable notice by Vendor, change in applicable laws, rules or regulations or reasonable interpretation or application thereof; changes in manufacturer policies or procedures; or any other unforeseeable event outside the control of Vendor.

31.8 ***Unauthorized Fees.*** Where Vendor charges to any MMCAP Participating Member a fee not authorized under the terms of this agreement, Vendor shall credit the MMCAP Participating Facility each unauthorized fee charged by Vendor. This shall not preclude the MMCAP Participating Facility from seeking full compensation, in addition, for the unauthorized fee charged by Vendor.

31.9 ***Application of Liquidated Damages.*** The application of Liquidated Damages shall not excuse Vendor's performance obligations as set forth in this agreement, nor shall it waive any rights MMCAP, MMCAP Members, or MMCAP Participating Facilities may have to seek any and all available legal and equitable remedies.

31.10 ***Acknowledgement.*** Vendor acknowledges that the Liquidated Damages set forth above are not penalties, but rather seek to make MMCAP, MMCAP Members, and MMCAP Participating Facilities

whole for any failure of performance by the Vendor, as based upon good faith estimates as agreed to by the parties.

32 **Adding New Members.** If new Members are added to the MMCAP Program and will participate in MMCAP's Prime Vendor Program, the new Member will select a PPV to service the all Participating Facilities within the Member. In the event one or more facilities are currently using another PPV a reasonable period of time will be permitted for the Participating Facility to switch to the MMCAP-contracted PPV.

33 **Required Licenses, Permits, and Registration.** Vendor shall have in place prior to the start of the contract, and must maintain for the life of the contract, all current licenses, permits and registrations required by state, local and federal agencies. Vendors must make such documentation available upon request by the MMCAP Office.

34 **DEA License/HIN.** The Vendor shall not require an MMCAP Participating Facility to have a DEA number in order to obtain products unless the facility places orders for controlled substances. MMCAP Participating Facilities will have HIN numbers assigned by the MMCAP Office.

35 **Administrative Personnel Changes.** The Vendor shall notify the MMCAP Office of changes in the Vendor's key administrative personnel, in advance and in writing. Any employee of Vendor, who, in the opinion of MMCAP, is unacceptable, will be removed from the project upon written notice to the Vendor; provided, however, any such removal must be for lawful reasons. In the event that an employee is removed pursuant to a written request from MMCAP's authorized representative, the Vendor will have ten (10) working days in which to fill the vacancy with an acceptable employee.

36 **State Terms and Participation.**

36.1 MMCAP intends to use this Contract to meet the needs of its MMCAP Members and MMCAP Participating Facilities for goods and services purchased under the authority of the commissioner of Administration. From time to time an MMCAP Member or MMCAP Participating Facility may request that the PPV prepare a "Participating Addendum" (also called "Piggyback Agreement") to amend this Contract to provide for laws specific to a state or local jurisdiction. If these circumstances exist, the PPV must work with the MMCAP Member or MMCAP Participating Facility to prepare a Participating Addendum to set forth the additional or altered terms and conditions. A Participating Addendum must clearly apply only to the requesting location and will not affect the rights of the other MMCAP Members or MMCAP Participating Facilities. When the specific terms are agreeable to the PPV and the MMCAP Member or MMCAP Participating Facility, the amendment will be presented to MMCAP to be included as an amendment to this contract. No verbal or written instructions from MMCAP Members, MMCAP Participating Facilities, or any of their staff or officials to change any provision of the resulting contract will be accepted by the Vendor without the prior written approval of the MMCAP. The Vendor will immediately report any such requests to the MMCAP Manager who will issue approval or denial in writing.

36.2 Vendor shall comply with all Local, State, and Federal laws, as applicable to each Member State, in the performance of this contract.

37 **Attachments Order of Precedence**

37.1 The following Attachments and Exhibits are attached and incorporated into this agreement. In the event of conflict, the following order of precedence applies, subject to Sections 37.2 through 37.5 below:

1. Contract #_MMS10001_____
2. Attachment A – Statement of Work
3. Attachment B – Discounts and Fees
4. Attachment C – Service Fee Discount Matrix

5. Attachment D – Current Vendors
6. Attachment E – State Specific Language
7. Attachment F – [where applicable]

37.2 For each state requiring state specific language, a further Exhibit shall be attached to Attachment E.

37.3 Should any terms in the Contract document or other Attachments conflict with the state-specific terms set forth in Attachment E, the terms set forth in Attachment E shall take precedence over the terms of the Contract document, but only as between the Vendor and the MMCAP Member and/or MMCAP Participating Facility bound by said state-specific terms. Each state shall only be bound by the terms of its own state-specific language as set forth in Attachment E.

37.4 MMCAP and the State of Minnesota shall not be bound by non-Minnesota state-specific terms set forth in Attachment E when bringing any enforcement action on behalf of MMCAP or the State of Minnesota, nor shall MMCAP directly bring any action based upon terms set forth in Attachment E.

(Remainder of this page intentionally left blank)

MMCAP Contract
No. MMS10001
SK

1. STATE ENCUMBRANCE VERIFICATION
Individual certifies that funds have been encumbered as required by Minn. Stat. §§ 16A.15 and 16C.05.

Signed: _____

Date: _____

CFMS Contract No. A- _____

2. VENDOR
The Vendor certifies that the appropriate person(s) have executed the contract on behalf of the Vendor as required by applicable articles, bylaws, resolutions, or ordinances.

By: [illegible]
Title: Vice President Procurement Mgmt.
Date: November 30, 2009

3. STATE AGENCY

By: [illegible]
(with delegated authority)
Title: Acquisition Specialist
Date: 11.30.2009

4. COMMISSIONER OF ADMINISTRATION
As delegated to Materials Management Division

By: [illegible]
Title: [illegible]
Date: 11/30/2009

By: _____

Date: _____

Distribution:
Agency
Vendor
State's Authorized Representative - Photo Copy

Attachment A – Statement of Work 3
4.1 Definitions 3
4.2 Service Area 5
4.3 Customer Service 6
A. Customer Service to MMCAP Office 6
B. Customer Service to MMCAP Participating Facility 7
4.4 Contract Transition and Implementation 8
4.5 Inventory Management 10
A. MMCAP-Contracted Manufacturers 10
C. Vendor Stock Outages 11
D. Manufacturer Backorders 11
E. Service Levels 12
F. Shift Demands 13
4.6 Management of MMCAP Contract Products 14
A. Price Loading 14
B. Product Additions/Deletions 14
C. Convenience and Individual Contracts 15
D. Product Expiration Dating 15
4.7 Ordering Equipment 15
A. Ordering System 15
B. Hardware, Software, and Devices 16
C. Installation and Training 16
D. Ordering System(s) Back-up Service, Maintenance and Repair 17
E. Label and Marking 17
4.8 Order Placement 17
A. Vendor's Ordering System 17
B. 340B Drug Pricing Program 18
C. Automatic Substitution 19
D. Confirmation Printback/Order Confirmation 19
E. Controlled Substances Ordering System 19
F. Technical Support for Ordering 19
G. Special Orders 20
4.9 Delivery 20
A. Routine Delivery 20
B. Drop Shipments 21
C. Delivery for Special Products 21
4.10 Inventory at an MMCAP Participating Facility 22
4.11 Contract Compliance 22
A. On-Contract Purchasing 22
B. Compliance Calculations 22
C. Reporting Tools 23
4.12 Invoicing 24
A. Order Invoice 24
B. Invoice Rounding 25
C. Credits and Rebills 26
D. Price Audits and Corrections 27
E. Chargeback Denials 27
F. Invoice Disputes 28
G. 810 EDI Invoices and Auditing 28
H. Goods Returned to the PPV 28
I. Reverse Distribution Processor 30

J. Recalls 30
4.13 Pedigree 31
4.14 Emergency Order, Placement and Delivery 31
4.15 Other Value Added Services 31
A. Vendor's Generic Drug Program 31
B. Pharmacy Interfaces 32
C. Additional Services 32
4.16 Mandatory Reports 33
A. Sales Data Report 33
B. Monthly Payment Report 36
C. Kill/Fill Report 38
D. Contract Change Report 39
E. Contract Audit Report 39
F. Off-Contract with Alternative On-Contract Report 40
G. Raw and Adjusted Fill Rate Report 40
H. Vendor Member Listing 41
I. Manufacturer Backorders 41
J. Vendor Reports Available to MMCAP 41
4.17 Reserved 42
4.18 Business Interruption Plan 42
4.19 Shareback Credits 42
4.20 Administrative Fee 43
4.21 Payment 43
4.22 Late Payment 43

Attachment A – Statement of Work

4.1 Definitions

Throughout this Agreement, the following terms are used as defined.

340B Drug Pricing Program (340B) - The 340B Drug Pricing Program resulted from enactment of Public Law 102-585, the Veterans Health Care Act of 1992, which is codified as Section 340B of the Public Health Service Act. Section 340B limits the cost of covered outpatient drugs to certain federal grantees, federally-qualified health center look-alikes and qualified disproportionate share hospitals (DSH). Several MMCAP Participating Facilities are eligible and participate in the 340B Drug Pricing Program.

Adequate Supply- A supply of Products made available to the MMCAP Participating Facilities that allow conformity with the parameters of the fill rate and historical purchase patterns.

Bulky Products - The MMCAP Office's definition of Bulky Products include food and food products, home healthcare products (durable medical equipment, such as walking aids, bathroom safety products, wheelchairs and accessories, scooters and lift chairs, etc.), non-contract nutritionals, school and office supplies, non-contract large volume parenterals, and non-contract IV Fluids.

Closed Distribution Products (CDP) - Closed Distribution is either required by the manufacturer or by the FDA. Reasons for the Closed Distribution of a product include patient safety, product stability, or the product is new to the market. Most orders for Closed Distribution Products are passed through the Vendor for delivery directly by the product supplier.

Confirmation Printback/Order Confirmation - An electronic confirmation report generated from the Vendor's ordering system and sent electronically back to the ordering facility indicating that the requested Products are available, on Manufacturer Backorder, out of stock, or deleted, etc. Also referred to as the Confirmation Printback Report.

Controlled Substance Ordering System (CSOS) - Allows for secure electronic transmission of Schedule I-V controlled substance orders without the supporting paper DEA Form 222.

Drop Shipment(s) - Products ordered by the MMCAP Participating Facilities through the Vendor and shipped directly to the MMCAP Participating Facilities from the manufacturer/product supplier. The manufacturer/product supplier notifies and bills the Vendor, who then invoices and receives payment from the MMCAP Participating Facility.

EDI - Electronic Data Interchange - Inter-process (computer to computer application) communication of business information in a standardized electronic form.

Manufacturer Backorder(s) (MBO) - An order placed by the Vendor to a manufacturer or supplier which is not shipped to the Vendor due to industry wide shortages or other supply issues as set forth in Section 4.5 (E.) of Attachment A.

MMCAP Contract Product(s) - Any Product that appears on an MMCAP contract.

MMCAP Contract File Updates – electronic files sent by the MMCAP Office to the Vendor which provide batched MMCAP Contract Product and MMCAP contract pricing information. The MMCAP Contract File Updates are usually sent to the Vendor on a weekly basis. The first file (titled "Update [sequential

number]") details the MMCAP contract changes that have occurred since the last weekly communication from the MMCAP Office. The second file (titled "[sequential number] Contract [8-digit date]") is a listing of the entire MMCAP contract as of the date provided in the title. The third file (titled "[sequential number] Pending [8-digit date]") is a listing of the MMCAP Contract Products with future effective dates.

MMCAP Member(s) – Any of the, currently, 46 MMCAP member states plus the Cities of Chicago and Los Angeles and any other members added or deleted during the life of the Agreement and any extensions.

MMCAP Participating Facility - Any facility listed by the MMCAP Office as an active participant of MMCAP program. A current listing of MMCAP Facilities is made available to all MMCAP vendors monthly.

MMCAP Office – The administrative staff of the MMCAP Program responsible for initiating and administering all MMCAP contracts. The MMCAP Office may be referred to synonymously as MMCAP. Located at:

MMCAP
Minnesota Department of Administration
Materials Management Division
112 Administration Building
50 Sherburne Avenue
St. Paul, MN 55155

MMCAP State Contacts – purchasing and pharmacy professionals are designated by MMCAP Member States to serve as liaisons between the MMCAP Office and the MMCAP Participating Facilities in each State. A list of MMCAP State Contacts is available at:
http://www.mmd.admin.state.mn.us/mmcap/background_current_states.htm.

National Drug Code (NDC) – a unique 11-digit number which is a universal product identifier for human drugs. The NDC identifies the labeler code, product code (strength, dosage form, and formulation), and package code (package size and type). All NDCs reported to the MMCAP Office must be in the 5-4-2 configuration.

Next Day Delivery - Orders placed Sunday through Thursday by MMCAP Participating Facilities by the designated time as proposed by the Vendor which will be delivered the next business day. Orders placed on Friday or Saturday must be delivered on the following Monday.

Next Scheduled Delivery Day - is the day agreed upon by the PPV and the MMCAP Participating Facility for delivery of Products. For some MMCAP Participating Facilities, the Next Scheduled Delivery Day may not necessarily denote that the delivery will be made within 24 hours.

Non-Contract Product - Any product that does not appear on an MMCAP contract or the 340B Drug Pricing Program contract.

Pedigree - A record containing information regarding each transaction resulting in a change of ownership of a given medication, from sale by a manufacturer, through acquisition and sale by one or more wholesalers, manufacturers, or pharmacies, until final sale to a pharmacy or other person furnishing, administering, or dispensing the medication.

Pharmaceutical Prime Vendor (PPV) - Also referred to as Vendor or Prime Vendor, is a business that functions as a purchaser's source of distribution for a wide array of pharmaceutical and related Products as

identified by the MMCAP Participating Facility. A Vendor is responsible for maintaining and distributing an Adequate Supply of pharmaceuticals and related Products and any other items contracted for that are dispensed through the MMCAP Participating Facilities' pharmacy service.

Product(s) - Synonymously used to denote the merchandise requested by the MMCAP Participating Facilities to be delivered through the Vendor.

Stock Outage(s) - An occurrence wherein the Vendor cannot make available an Adequate Supply of the MMCAP Participating Facility's requested Products. As opposed to a MBO situation, the Vendor will be held responsible for Stock Outages.

4.2 Service Area

As of the Agreement effective date, Vendor will provide all services under this Agreement to all requesting MMCAP Participating Facilities and/or MMCAP Members. The MMCAP Office reserves the right to add or delete MMCAP Members and MMCAP Participating Facilities at any time during the Agreement term.

Vendor will provide service to the following MMCAP Members:

Alaska
Arizona
Delaware
Florida
Georgia
Idaho
Maine
Maryland
Minnesota
Montana
Nebraska
Nevada
New Hampshire
New Mexico
North Carolina
North Dakota
Oregon
Rhode Island
South Carolina
South Dakota
Vermont
Virginia
Washington
West Virginia
Wisconsin
Wyoming
City of Chicago
City of Los Angeles

4.3 Customer Service

A. Customer Service to MMCAP Office

1. The Vendor's designated Primary Account Representative for the MMCAP Office will be Anita Anderson, Account Executive, State Government-GPO.
2. The alternate Account Representatives will be:
   Operational: Kyle Johnson, Senior Specialist, Alternate Care, kyle.johnson@cardinalhealth.com 614-882-4237
   Sales: Todd Hudnall, Director, Alternate Care Sales-State Government, Todd.Hudnall@cardinalhealth.com, 614-757-7680
3. Additional functional contacts are:
   a. Contract issues/discrepancies (product stocking, product loading, pricing):
   Anita Anderson, anita.anderson01@cardinalhealth.com, 614-657-4158
   Kyle.johnson@cardinalhealth.com, 614-882-4237
   b. Class of trade issues (contract eligibility, denials, etc.):
   Anita Anderson, anita.anderson01@cardinalhealth.com, 952-461-1924
   Kyle.johnson@cardinalhealth.com, 614-882-4237c. Issues concerning MMCAP's invoice auditing service: Anita Anderson, anita.anderson01@cardinalhealth.com, 952-461-1924
   d. Vendor distribution service fees:
   Anita Anderson, anita.anderson01@cardinalhealth.com, 952-461-1924
   kyle.johnson@cardinalhealth.com, 614-882-4237. Data/reporting issues:
   Anita Anderson, anita.anderson01@cardinalhealth.com, 952-461-1924
   kyle.johnson@cardinalhealth.com, 614-882-4237.f. Electronic invoice auditing dispute resolution:
   Anita Anderson, anita.anderson01@cardinalhealth.com, 952-461-1924
4. In the event the MMCAP Office determines the Primary Account Representative is non-responsive, the MMCAP Offices will escalate to Don Lyle, VP Account Management, Don.Lyle@cardinalhealth.com, 614-757-7782, to take appropriate corrective action for problem resolution.
5. The Vendor must provide advanced written notification to the MMCAP Office of changes in the Vendor's key administrative personnel. Any employee of Vendor, who, in the sole opinion of the MMCAP Office, is unacceptable, will be removed from the project upon written notice to the Vendor. In the event that an employee is removed pursuant to a written request from the MMCAP Office's authorized representative, the Vendor will have ten (10) business days in which to fill the vacancy with an acceptable employee. There will be no charge to the MMCAP Office or the MMCAP Members for replacement personnel assigned and Vendor agrees that each such replacement has acquired the necessary orientation and background to make a productive contribution.
6. **Business Review**
   a. Vendor will hold monthly business reviews at the MMCAP Office with the Vendor's Primary Account Representative.
   b. Vendor will hold quarterly business reviews at the MMCAP Office with the Vendor's Primary Account Representative and others from the Vendor's Corporate Office to address, at a minimum, the following:
      - Sales Data
      - Contract Compliance/Category Breakdown
      - Inflationary/Budget Related Data
      - Managed Care News/Updates
      - Service Levels by distribution center and for MMCAP as a group
      - Contract Activity
      - Cost of Goods and Fees
      - Success Stories and Opportunities Ongoing.
      - Pedigree Updates
      - Proactive Product Information
      - Industry Updates

- Contract Activity Reporting
- Compliance Activity Reporting
- Purchase Activity Reporting
- EDI Setup Audits
- Customer Satisfaction
- Vendor Performance

B. Customer Service to MMCAP Participating Facility

1. **Customer Service Department**
   Vendor shall provide the MMCAP Participating Facilities access to the Vendor's customer service department, which at a minimum, consists of the following:
   a. Customer support centralized in two national call centers located in Radcliff, Kentucky and Little Rock, Arkansas.
   b. Access to customer service representatives with principal responsibilities in the areas of order entry, Drop Shipment ordering, stocking issues, and general customer service requests.
   c. Customer service hours of operation are 7:30 a.m. – 5:00 p.m. (customer's local time) Monday through Friday (excluding the following national holidays: Christmas, New Years Day, Thanksgiving Day, Memorial Day, the Fourth of July, and Labor Day).
   d. Vendor's customer service can be reached toll free at 866-641-1199, by fax at 866-551-0530, or by e-mail at government-pharma@cardinalhealth.com.
   e. Technical support is available 24 hours a day, 7 days a week. Technical support for Cardinal.com can be reached toll free by calling 800-326-6457.
   f. Emergency Call Procedures are for life critical emergency situations only that require product before the Next Scheduled Delivery Day:
   Emergency Call Procedure for the Fastest Response

1). During normal business hours (Monday-Friday 7:30 am to 5:00 pm), call customer service at 866-641-1199.

2). Outside normal business hours, please call 877-772-0346. An answering service representative will take the message and a Cardinal Health employee will promptly return your call. MMCAP Participating Facilities will need to provide their servicing distribution center name, account name and number, a contact name, and a call back phone number available.

2. **MMCAP Participating Facility Customer Account Representatives**
   a. **MMCAP Member States.** Each MMCAP Member State will have a designated account representative appointed by the Vendor's Primary Account Manager to meet with both the MMCAP Office and MMCAP Member State representatives on a quarterly basis to discuss, at a minimum, the following:
      - Customer satisfaction
      - Vendor performance
      - State account performance (COGs, payment terms, etc.)
      - Reports (e.g., contract compliance)
      - Other
   b. **MMCAP Participating Facilities.** Vendor will provide a designated Pharmacy Business Consultant (PBC) for each MMCAP Participating Facility with average volume of $25,000 per month or more. This individual will serve as a liaison between the MMCAP Participating Facility and Vendor to ensure quality of service delivery and customer satisfaction. The PBC will make routine on-site visits to discuss performance issues and solve problems according to the schedule below:

Average Monthly Purchasing Volume	Frequency of Contact with MMCAP Participating Facility	Type of Contact
$0 - $25,000	Once every 30 calendar days; minimum once per	Telephone Call

	quarter (90 calendar days)	Onsite visits available upon reasonable request
$25,001 – $100,000	1. Dialogue offered to MMCAP State Contacts once every 30 calendar days 2. Customer Business Reviews offered once every 180 calendar days 3. Dialogue with MMCAP Participating Facilities once every 90 calendar days or as needed	1. Telephone Call (on-site visits as needed) 2. On-site visit or Telephone Call 3. On-site visit or Telephone Call
$100,001 and Up	1. Dialogue offered to MMCAP State Contacts once every 30 calendar days 2. Customer Business Reviews offered once every 120 calendar days 3. Dialogue with MMCAP Participating Facilities once every 30 calendar days or as needed	1. Telephone Call (on-site visits as needed) 2. On-site visit or Telephone Call 3. On-site visit or Telephone Call

c. **Additional Resources.** Vendor will provide up to ten (10) positions in the field to provide direct service for the MMCAP Participating Facilities. This will include providing a facility targeted approach to solving specific problems and solutions for operational, contract compliance and inventory management issues. The number of positions designated may fluctuate up or down depending on volume and business need.

4.4 Contract Transition and Implementation

If the MMCAP Member is currently contracting with the Vendor for the services, or substantially similar services, as set forth in this Attachment A, Vendors shall transition each MMCAP Member from the existing contract (and existing contract terms) to this contract (and its terms) on the 1st day of the month following execution of this contract and in no event later than 30 days from contract execution.

If the MMCAP Member is not currently contracting with the Vendor for the or substantially similar services, as set forth in Exhibit A, Vendors shall transition each MMCAP Member from the existing contract (and existing contract terms) to this contract (and its terms) on the 1st day of the third month following execution of this contract and in no event later than 90 days from contract execution.

Transition from an existing contract to this contract must occur on the 1st day of a month, and no other day.

In completing this transition, Vendor shall work with MMCAP Staff and MMCAP Members to determine the appropriate steps and schedule, subject to the above, for the transition. Vendor acknowledges that the transition may be dependent upon the terms of the existing contracts and subject to the notice provisions contained therein. Vendor's standard procedure for implementing a new MMCAP Member is:

Week 1
PVA Agreement Signed
Provide 12 months detailed usage from the MMCAP Office to Vendor
Provide site listing from the MMCAP Office to Vendor

Communicate conversion team contact listing and schedule calls
Fax/email/mail DEA and state pharmacy licenses
Obtain MMCAP roster and confirm eligibility
Assess customer technology requirements and begin pre-work
Review customer attributes, needs, and expectations
Obtain digital certificate for CSOS

Week 2
Assess customer needs for product catalogs
Establish delivery plan, times, and requirements
Review DC/Customer-Specific Order Cut-Off Time
Load usage, activate/create items, and place orders
Continue ordering pre-work (EDI, cardinal.com, etc)
Complete account set-up and provide account numbers

Week 3
Delivery route set-ups with couriers are completed
Technology work completed and tested
Create electronic version of new customer Welcome Kits
Confirm pricing eligibility and attach contracts to sites
Create new reports as necessary

Week 4
Send new customer Welcome Kits to each site
Complete site training for Cardinal.com, etc
Send CII blanks, product catalogs, hardware, etc. in tote as test order
Outbound calls to each site as follow-up on test delivery and site visit
Confirm Product is received and ready for day-1 orders

Week 5
Send New customer Welcome Kits to each site
Complete site training for Cardinal.com, etc
Send CII blanks, Product catalogs, hardware, etc. in tote as test order
Outbound calls to each site as follow-up on test delivery and site visit
Confirm Product is received and ready for Day-1 orders
Request corporate contacts to complete customer survey

Week 6
Schedule post-implementation review
Schedule Business Review meeting

Vendor shall be responsible for notifying both new and existing MMCAP Participating Facilities in writing specifying Vendor required documentation and instructions sufficient to enable the MMCAP Participating Facilities to transition to the new contract. Vendor shall promptly notify the MMCAP Participating Facilities in reasonable detail of any missing or incomplete documentation required for account set-up.

Vendor requires the following documents be completed and submitted to Vendor prior to opening a new account:

1. Contract Pricing Declaration Form, found at: http://www.cardinalhealth.com/pricingdeclaration
2. State Pharmacy License
3. DEA Certificate, if required for the Products ordered

4. Return Goods Authorization, Ongoing Assurance
5. A contact name will be requested to address any potential Accounts Receivable/Payable issues (credit applications are not required)

Vendor will provide an inventory of MMCAP Contract Products sufficient to meet the needs of the MMCAP Participating Facilities from the beginning of the MMCAP contracting period. Historical usage data will be provided by the MMCAP Office six weeks prior to the start of the contract period. Vendor must have all MMCAP Contract Products loaded in its ordering system and have a minimum of thirty (30) calendar days' Product supply available to order prior to the contract start date.

4.5 Inventory Management

A. MMCAP-Contracted Manufacturers

For the term of this Agreement, Vendor shall have contracts with all MMCAP-contracted manufacturers as required to provide all MMCAP Contract Products and perform the services described in this Agreement to MMCAP Members and MMCAP Participating Facilities. Exceptions must be approved in writing by the MMCAP Office. The list of MMCAP-contracted manufacturers has been set forth in Attachment D, Current Vendors.

B. MMCAP Contract Products

1. Vendor will not create unreasonable barriers in order to stock an MMCAP Contract Product.
2. The MMCAP Office must be notified in writing no later than five (5) business days if any of the MMCAP-contracted manufacturers' contracts are terminated or expire. The MMCAP Office reserves the right to modify the MMCAP-contracted manufacturers list (Attachment D, Current Vendors) at any time during the Agreement term.
3. Vendor acknowledges and agrees to carry utilization (demand) history for a minimum of 60 calendar days. If any Product has not been ordered after 60 calendar days, utilization history can be decreased in Vendor's inventory management system.
4. Vendor will bring in a thirty (30) days' supply of Products for initial account set-up based on usage data from the MMCAP Office. Thereafter, Vendor's buying system will acknowledge created demand and purchase inventory to meet said demand. Inventory will be maintained according to Vendor's Service Level and inventory parameters. See also Section 4.4, Contract Transition and Implementation.
5. Vendor is responsible for providing an inventory forecasting report to the MMCAP Office as requested. This report will monitor and forecast ordering, usage patterns, as well as, identify significant trends, including increases and decreases in purchases. Monthly contract compliance reports to monitor purchases of Non-Contract Products will also be available to the MMCAP Office upon request.
6. Vendor may not discontinue stocking an MMCAP Contract Product unless there are fewer than three (3) units sold per month per distribution center. For Products marked as non-stock, Vendor must submit a monthly report detailing how equivalent generic purchasing is impacting non-movement.
7. **Timeline for new MMCAP Contract Product additions.** For newly added MMCAP Contract Products, Vendor will make good faith efforts to have the Products loaded, stocked, and viewable in its system and ready for delivery no later than ten (10) business days from the time Vendor receives notification that the Product has been added to the MMCAP contract. If Vendor does not have a business relationship with the MMCAP Contract Product's manufacturer, the Product will be loaded, stocked, viewable, and ready for delivery in fifteen (15) business days unless a longer term is approved in writing by the MMCAP Office.
8. **Timeline for MMCAP Contract Products that are not stocked.** For MMCAP Contract Products that are not stocked, an MMCAP Participating Facility may request the Vendor add the Product to inventory at the applicable distribution center by contacting customer service or its account representative. MMCAP Contract Products will be available for delivery no later than three (3) business days from request receipt for Products stocked at Vendor's National Logistics Center (NLC) and seven (7) business days for Products that are not stocked at the NLC, unless the MMCAP Contract Product is

delayed due to manufacturer unavailability or other factors outside Vendor's control. In the event the fulfillment of any of the requests will take longer than what is specified in this section, Vendor will provide prior written notice of the delay and the reason for the delay to the requesting MMCAP Participating Facility and the MMCAP Office.

9. Vendor's designated contact for all usage, inventory, and special order questions for the MMCAP Office are Anita Anderson, anita.anderson01@cardinalhealth.com or 952-461-1924 and Kyle Johnson, kyle.johnson@cardinalhealth.com or 614-822-4237. MMCAP Participating Facilities can contact their account representatives or customer service.

C. Vendor Stock Outages

1. Backorders due to Vendor created Stock Outages will take no more then three (3) business days from the point of order until the MMCAP Participating Facility receives the ordered Product(s).
2. Vendor will have the manufacturer ship directly to the MMCAP Participating Facility for Next Day Delivery if available by the manufacturer and if the Product is deemed critical by the MMCAP Participating Facility. The MMCAP Office agrees to work with Vendor on abusive situations.
3. MMCAP Participating Facilities that have MMCAP Contract Products drop shipped to them directly from a manufacturer as a result of Vendor created Stock Outages will not be charged additional fees.
4. Manufacturer fees or fees to expedite orders for MMCAP Contract Products drop-shipped due to Vendor created Stock Outages are not allowed.
5. MMCAP Contract Products that are drop-shipped due to Vendor created Stock Outages will have Vendor's service fee discount applied.
6. MMCAP Participating Facilities can place Products on backorder by calling Vendor's customer service department, otherwise orders for Products on backorder will be cancelled. Placing a Product on backorder enables the MMCAP Participating Facility to receive the Product upon availability without placing a reorder. The option to utilize auto-backorder function is available, but must be approved by the MMCAP Participating Facility.
7. If Product is transferred from an alternative distribution center in order to resolve a Stock Outage situation due to Vendor created Stock Outages no fees will apply.
8. If the Vendor fails to make prompt shipment of MMCAP Contract Products due to Vendor created Stock Outages, Vendor's ordering system view errors, cancellations, backorders, or non-movement, the ordering MMCAP Participating Facility may buy an alternate equivalent (generic) substitute Product on the open market for the period in which the Vendor is unable to provide the Product. The Vendor will be liable to the MMCAP Participating Facility for any excess cost over the MMCAP Contract Product price and the alternate price of the Non-Contract Product. This will be in effect for 90 calendar days from the date the Vendor is first unable to supply the Product to an MMCAP Participating Facility. Credits due to an MMCAP Participating Facility based on excess Product procurement costs caused by a Vendor Stock Outage or cancellation/backorder will be routed from the Vendor back to the participating MMCAP Participating Facility in the form of an account credit.
9. Vendor Stock Outages due to cancellations/backorders not created by the manufacturer/non-movement by the Vendor will be considered a failure to perform by the Vendor and may be considered grounds for termination of the contract.
10. When an MMCAP Participating Facility calls in regard to a Product that is temporarily out of stock or on short term backorder, customer service will coordinate efforts through the servicing Distribution Center and applicable Inventory Departments to bring the requested Product into stock. Vendor will have three (3) business days to have the Product brought into stock at no charge to the MMCAP Participating Facility, barring any manufacturer production issues.

D. Manufacturer Backorders

1. Vendor's order entry system will provide notification prior to order of all Manufacturer Backorders.
2. Vendor will also list all Manufacturer Backorders on its website and the MMCAP Participating Facilities can call customer service.

3. Notifications of Manufacturer Backorders will be provided by Vendor's weekly "Service Flash," which is available via Vendor's website or push e-mail. Backorder notices will contain an expected date of resolution as well as the reason for the backorder (e.g., raw material shortage). Vendor's "Service Flash" will also list recalled Products, discontinued Products, and Products on allocation.
4. Vendor acknowledges and agrees that its policy is to kill or fill all orders at order placement unless the MMCAP Participating Facility is set up to receive backorders.
5. MMCAP Participating Facilities with questions in regard to recalled, allocated, and discontinued Products on backorder should call Vendor's customer service.

E. Service Levels

1. Raw and Adjusted Fill Rates will be calculated on a monthly basis for each MMCAP Participating Facility's account(s) (including 340B Drug Pricing Program accounts) serviced by the Vendor. Raw and Adjusted Fill Rates will also be calculated for MMCAP as a group as well as by each distribution center servicing MMCAP Participating Facilities.
2. Vendor must submit a Raw and Adjusted Fill Rate Report using the calculations defined below (Service Level Definitions) for each MMCAP Participating Facility, distribution center serving MMCAP Participating Facilities, and by MMCAP as a group to the MMCAP Office on a monthly and a quarterly basis. See also Section 4.16, Mandatory Reports, for report requirements.
3. Service Levels will be defined as follows:
   a. Raw Fill Rate will be calculated by dividing the number of units delivered by the number of units ordered.

$$\textbf{Raw Fill Rate} = \frac{\textbf{Number of Units Delivered}}{\textbf{Number of Units Ordered}}$$

   Orders for Products that are not filled as a result of Vendor being out of stock of such Products will be considered as a line item for Product ordered in this calculation regardless of the reason for Vendor being out of stock.

   b. Adjusted Fill Rate will be calculated by dividing the number of units delivered by the number of units ordered minus the number of Manufacturer Backorder (MBO) units.

$$\textbf{Adjusted Fill Rate} = \frac{\textbf{Number of Units Delivered}}{\textbf{Number of Units Ordered - MBO Units}}$$

   MBO Units will include:
   - Orders for Products made but not shipped because of industry wide shortages or other issues beyond the control of Vendor as demonstrated by Vendor to the reasonable satisfaction of the MMCAP Managing Director, lead pharmacist, and lead financial representative (e.g., Manufacturer Unable to Supply, Manufacturer Allocations, Manufacturer Backorders, Manufacturer Recalls, and Manufacturer Discontinued).
   - Purchases of Products which exceed 150% of the previous months activity
   - Products ordered which are filled and delivered within 24 hours of the original order
   - Partial shipments if 75% or more of the order can be completely filled within 48 hours
   - Unavailable Products repeatedly ordered within 72 hours of the original order
   - Special orders requiring shipment from the manufacturer
   - Non-stock Products that are not under contract with MMCAP
   - Contract rolls/awards where notifications from the MMCAP Office are received with less than 4 weeks notice prior to transition of addition (e.g., bid year transition). Vendor may only include Products in MBO Units for 30 calendar days after notification.

   c. Non-Contract OTC Products will not be included in the Adjusted Fill Rate.
4. Vendor agrees to maintain a monthly Adjusted Fill Rate for pharmaceutical Products of at least 98% (calculated as set forth above) for each MMCAP Participating Facility account. Pharmaceutical

Products include but are not limited to: MMCAP Contract and Non-Contract prescription drug Products, MMCAP Contract OTC Products, IV solutions, contrast media, nutritionals, and anesthesia gases.

5. In the event Vendor's Adjusted Fill Rate falls below 98% for any month, Vendor will be assessed the fee outlined below on all MMCAP Contract Products and Non-Contract Products purchased during that month in which the service level falls. Vendor will credit the amount back to the MMCAP Participating Facility by the last day of the first month of the next fiscal quarter (e.g., payment for default in January will be due on April 30). Failure to meet the Adjusted Fill Rate will not itself constitute a default as long as Vendor is current in crediting of such amounts. Failure to meet Adjusted Fill Rates for any MMCAP Participating Facility will be officially recorded as part of the Vendor's contract performance, which is available for public review and may be used as past performance in any future MMCAP awards.

97.0% to 97.99%	5 basis points (0.05%) of all MMCAP Contract and Non-Contract pharmaceutical Products purchased during such month
95.0% to 96.99%	10 basis points (0.10%) of all MMCAP Contract and Non-Contract pharmaceutical Products purchased during such month
Less than 95%	25 basis points (0.25%) of all MMCAP Contract and Non-Contract pharmaceutical Products purchased during such month

6. **Earn Back.** Vendor will be entitled to earn back any service level penalties as follows. Within 30 calendar days after the last day of each fiscal quarter, Vendor will provide to the MMCAP Office and the MMCAP Participating Facilities a report detailing:
   a. Vendor's monthly service levels during the preceding quarter
   b. The average of Vendor's monthly service levels during the preceding quarter

   If, during the preceding quarter, Vendor achieved a monthly service level performance average that was greater than or equal to 98%, Vendor will not be required to pay the MMCAP Participating Facility for such service level defaults.
7. Service level requirements for MMCAP Participating Facilities will begin 30 calendar days following the effective date of this Agreement. The service level for MMCAP Participating Facilities added to this Agreement after the effective date will begin 30 calendar days from the time Vendor receives usage data.

F. Shift Demands

1. **Brand to Generic Shift.** When a branded pharmaceutical Product patent release approaches, Vendor will utilize the following process to ensure MMCAP Contract Products are expedited for the newly awarded generic.
   a. Ten (10) business days prior to patent expiration:
      - Vendor will run a sales report capturing three (3) months of purchase history on the branded pharmaceutical Product.
      - Sales history will be provided to the MMCAP Office and a reminder sent that the Vendor plans to shift demand from the branded pharmaceutical Product to the awarded generic Product.
      - The MMCAP Office will notify Vendor of the awarded generic Product at the same time MMCAP notifies the awarded generic Product manufacturer.
      - Vendor will provide the MMCAP Office with a summary of the shift demand that occurred per distribution center.
      - Upon manufacturer launch and/or availability, Vendor will have demands shifted and will expedite the new MMCAP generic contract Product into applicable distribution centers.
   b. A shift demand will occur for all Product presentations for which there was a brand Product available. For example, if the brand Product was available in 100-count bottles, 500-count

bottles and unit dose packaging (UD100ea x 1), Vendor will shift demand generically for all three presentations, if available.

c. Shift demands will be converted even if bottle or package size varies. For example, if the brand Product was available in 60 count bottles but the generic Product is available in 100 count bottles, demand will be shifted to the 100 count bottles.

d. Shift demands will not take place on additional bottle sizes or unit dose packaging that was not previously available unless Vendor is directed by the MMCAP Office to do so. The MMCAP Office will notify Vendor of expected shift demands through its weekly contract update process.

2. **Generic to Generic Shift.** Vendor will process shift demands for multi-source generic Products added to contract upon notification of an award from the MMCAP Office. Vendor has five (5) business days from the time of MMCAP Office notification or until the product effective date, whichever is later, to have the new generic Product loaded, viewable, and stocked at each distribution center where there is MMCAP contract and/or non-contract usage for equivalent generic Products. Vendor will provide the MMCAP Office with a summary of the shift demand that occurred per distribution center.

3. **Additional Services and Activities**

   a. Vendor will provide a weekly price change report to the MMCAP Office to assist in monitoring price reductions for multi-source generics. Vendor will do shift demands for price decreases upon the MMCAP Office request.

   b. Weekly maintenance is run in the Vendor's procurement system, shifting demands for additions and deletions where applicable.

4.6 Management of MMCAP Contract Products

A. Price Loading

1. Vendor will be responsible for processing the MMCAP Contract File Updates, or the files sent to the Vendor by the MMCAP Office which specify the Products and pricing that the MMCAP Office has negotiated with its contracted manufacturers. Vendor will load and make viewable in its ordering system all data lines from MMCAP's Contract File Update notifications within five (5) business days from the date of receipt or by the MMCAP Contract File Update effective date, whichever is later. When manufacturer verification is needed in order to load an MMCAP Contract Product and the MMCAP-contracted manufacturer has not responded or provides data that is inconsistent with the MMCAP Contract File Updates, Vendor will make a good faith effort to notify the MMCAP Office in writing no later than two (2) business days (after the five (5) business days allowed for Vendor processing).
2. Vendor agrees that any notice received from an MMCAP-contracted manufacturer or supplier for a price or Product change on an MMCAP Contract Product will be forwarded to the MMCAP Office in the form of a weekly contract change report (see Section 4.16, Mandatory Reports). Vendor agrees to provide credits/rebills at no charge to correct pricing in the event that the MMCAP Office and its contracted manufacturers disagree in regard to price and Product loading.
3. Price change reports will be available to all MMCAP Participating Facilities at any time via Vendor's ordering system.
4. Provided that Vendor has received all requested account set-up information, Vendor will have all MMCAP contract and individual contracts loaded prior to the MMCAP Participating Facility's first order. This includes all tiered contracts, if applicable.

B. Product Additions/Deletions

1. Vendor may not add or remove any MMCAP Contract Products from its database without providing prior written notification to the MMCAP Office. Written notification can consist of the latest weekly Contract Change report which lists all changes made within the past week to the MMCAP contract (see Section 4.16, Mandatory Reports).

2. Vendor agrees to maintain an Adequate Supply for a Product that is added to the MMCAP contract due to a change in the NDC number, Product deletion, and replacement of a Product by the manufacturer, and in situations where Vendor is notified that the MMCAP Office has determined a need to switch its procurement selections. Immediately upon notification of the change, Vendor will generate a usage report for the old item. This report will be used to decrement the old item(s) and increment the new item(s) as needed, to procure Product in a timely manner to satisfy MMCAP Participating Facilities' needs.

C. Convenience and Individual Contracts

1. MMCAP Contract Products priced at Wholesale Acquisition Cost – zero percent (WAC - 0%) will be reported as on-contract purchases.
2. Vendor agrees that contract purchases for WAC – 0% will receive Vendor's service fee discount, as set forth in Attachment C, Service Fee Discount Matrix.
3. Vendor will not charge any delivery fees for MMCAP Contract WAC – 0% Products if they fall within the MMCAP Participating Facility's normal delivery schedule.
4. Upon request of an MMCAP Participating Facility and after prior approval by the MMCAP Office in writing, Vendor will supply and distribute Products acquired under contracts individually negotiated with (e.g., pharmaceutical) manufacturers by an MMCAP Participating Facility. Service fee discounts will be applied to purchases made from MMCAP Participating Facility individually negotiated contracts.

D. Product Expiration Dating

1. At a minimum, expiration dating for all MMCAP Contract Products and Non-Contract Products delivered under this Agreement must have a minimum shelf life of six (6) months expiration dating remaining upon delivery to the MMCAP Participating Facilities.
2. Shipment of Product with expiration dating of less than six (6) months requires the prior approval of the MMCAP Participating Facility before release and delivery of the short-dated Product.
3. If Vendor distributes short dated Product to an MMCAP Participating Facility without prior approval, the Product may be returned to Vendor subject to Attachment A, Section 4.12 H, Goods Returned to the PPV.

4.7 Ordering Equipment

A. Ordering System

1. Vendor will provide to each MMCAP Participating Facility an ordering method that allows the facility to quickly and accurately order MMCAP Contract Products, within the technological capabilities of the MMCAP Participating Facility. At a minimum, Vendor's ordering system(s) must provide the following functionalities:
    a. Clearly identify all MMCAP Contract Products and whether these Products are in stock
    b. Build and place electronic orders
    c. Review pending orders for correctness and contract compliance
    d. Provide online allocation of ordered amounts
    e. Receive Order Confirmation reports
2. Vendor will offer its ordering system(s) to MMCAP Participating Facilities. Vendor currently supports the following ordering methods: Internet, EDI, phone orders via interactive voice response, direct call to customer service, handheld device ordering, and fax orders. All ordering methods described below require minimal setup and implementation work with the exception of EDI.
    a. **Telxon** – is a hand held ordering system which allows MMCAP Participating Facilities to order at the SKU level directly from the shelf location.
    b. **TeleServe** - allows MMCAP Participating Facilities access to Vendor during and after regular business hours and on weekends to order Product and check stock status. TeleServe is tied into

Vendor's pharmaceutical distribution system so users receive instant confirmation that Product is available and will be shipped with the next delivery. The system features interactive voice response.

c. **Cardinal.com** - is a pharmacy order and inventory management solution available via the Internet. Cardinal.com features real-time stock status, real-time allocation of Products, instantaneous Order Confirmation, electronic credits and returns, and reporting capabilities.

d. **EDI Capabilities** - the process for Electronic Purchase Orders begins with the receipt from a customer of an EDI PO (850), followed by the delivery to the customer of an Order Confirmation (855), an Advanced Shipment Notice (ASN) (856) is created once the order is picked, then an Electronic Invoice (810), which is followed by a Electronic Funds Transfer Remittance Advice (820) from the customer. Vendor supports all 810, 894 and 880 EDI protocol documents for electronic invoicing as well as 820 notices for electronic remittances. If an MMCAP Participating Facility chooses to implement an EDI solution, Vendor has a dedicated staff who will work with the customer and the third party vendor to develop the appropriate interface to begin trading files.

e. **Mobile Solutions** - allows customers to order, receive, and inventory Product using a handheld device. The user can send/receive current catalog data, submit orders, transfer orders to Cardinal.com, and retrieve receiving data. The device offers greater flexibility in the management of the receiving process, allowing receiving to take place at any location within the pharmacy. Mobile Solutions utilizes wireless technology.

B. Hardware, Software, and Devices

1. Vendor agrees that all fees charged for hardware, software, and/or ordering devices will be listed in Attachment B, Discounts and Fees.
2. Vendor will make available, upon request, a traditional ordering hardware packaging for purchase which shall consist of a Central Processing Unit (CPU), monitor, keyboard, mouse, and printer. Ownership of the traditional ordering hardware package will transfer to the MMCAP Participating Facility upon reaching the set value through monthly payments of the traditional ordering hardware package.
3. Upon request, Vendor will provide one Telxon to each MMCAP Participating Facility. Additional Telxons will be made available upon request and based on need.
4. MMCAP Participating Facilities that have existing hardware provided by Vendor previously will have it remain until it no longer functions or is not needed by the facility. For existing MMCAP Participating Facilities who have been provided a hardware packaging previously, Vendor will replace that hardware in the event it becomes inoperable. See also Attachment B, Discounts and Fees.
5. Vendor's Mobile Solutions requires the installation of Microsoft's Active Sync 4.5 which is currently provided by Microsoft as freeware.
6. Vendor's CSOS requires the installation of Axway's Cyclone Activator which is provided by Vendor at no charge.
7. The minimum technical requirements for Cardinal.com and its various applications are as follows:
   a. Windows 2000 Service Pack 4 or Windows XP Service Pack 2 operating system
   b. 800 MHz of faster Pentium III processor
   c. 512 MB of RAM (1 GB preferred)
   d. Java version 1.4.2 or higher (if running CSOS, Java 1.5 or higher is required)
   e. Monitor resolution of 1024x768
   f. Internet Explorer 5.5 Service Pack 2 or higher
   g. An always-on high speed internet connection for each location dedicated to Cardinal.com with at least a 128kbit minimum bandwidth per computer (256kbit recommended)

C. Installation and Training

1. Vendor agrees that all provided hardware, software, and ordering devices will be fully functional at time of installation.

2. Software updates, system changes, and training will be facilitated through a variety of communication methods. Scheduled maintenance as well as new Product offerings and enhancements will be detailed on the MMCAP Participating Facility's Cardinal.com home page. Training can either be provided on-site by the business/IT team or the MMCAP Participating Facility will have the option to participate in monthly application training webinars.
3. Vendor's software for CSOS and Mobile Solutions can be downloaded from the Internet. System requirements and installation instructions for CSOS and Mobile Solutions will be available from Vendor upon request.
4. Training will include:
    a. Proper use of order entry devices including computer and hand held units
    b. How to access and interpret Vendor's inventory status
    c. Order placement process (Product inquiry, placement, order edit, printback confirmation, etc.)
    d. Any required ordering system maintenance
    e. Downloading price changes
    f. Performing file maintenance
    g. Requesting or printing bar code labels
    h. Download/Run/Print/Export contractually required reports
    i. Operation of Inventory Management program
    j. Identifying MMCAP Contract Products (e.g., contract ranking)
    k. Any other commercially available training in use of the equipment or ancillary items
    l. Contact information in case of questions regarding ordering
    m. Training guides or manuals and system operating manuals, accessible on line (including all updates), for all equipment and software furnished by the Vendor to each individual ordering facility
    n. Assigning of account login IDs and passwords
    o. Item Return Processing Training
    p. Technical support to interface hand held devices with each facility's PC/network infrastructure.
5. Vendor will provide each facility with a Cardinal.com instruction book that outlines all of the functions on the online ordering tool via email. Vendor will work with the MMCAP Office to develop other training processes.

D. Ordering System(s) Back-up Service, Maintenance and Repair

Vendor agrees to provide all software updates and system maintenance at no cost for the term of this Agreement. Cardinal.com is Internet-based and therefore requires routine site maintenance. Vendor agrees that maintenance will only occur on weekends and MMCAP Participating Facilities will be notified in advance. Vendor reserves a maintenance window for Cardinal.com of Saturday 8pm through Sunday 8am EST. Telxons, faxes, and calling the customer service department will serve as back-ups for Vendor's ordering systems. If computer maintenance is required, Vendor will replace or repair accordingly.

E. Label and Marking

Vendor's online ordering system, Cardinal.com will print shelf labels, on-site, on demand. At this time, Vendor cannot provide contract status on its shelf labels. MMCAP Participating Facilities can request that the contract name field be added to their yellow Product sticker format which will aid in the identification of MMCAP Contract Products. Vendor agrees to make an enhancement to its system which will provide MMCAP contract status on shelf labels by June 30, 2010.

4.8 Order Placement

A. Vendor's Ordering System

1. Vendor's ordering system will display the following information:
    - MMCAP Participating Facility's name
    - Vendor assigned account number

- Product Name
- Vendor's Product Number
- Generic Name
- Product Description
- Strength
- Packaging
- Manufacturer
- Unit dose indicator
- Form (e.g., tablet, capsule, etc.)
- National Drug Code (NDC) for applicable Products
- Wholesale Acquisition Cost
- Average Wholesale Cost
- Universal Product Number (UPN), where applicable
- Universal Product Code (UPC), where applicable
- Product Control Schedule (e.g., CII)
- DEA number (where applicable)
- Type of contract – contract identification or code that identifies product as an
- MMCAP Contract Product, Non-Contract, 340B Drug Pricing Program contract, or alternate contract Product
- Contract price (specific to the pricing and contract eligibility of each MMCAP Participating Facility).
- Product denoted as available as a Drop Shipment
- Product inventory status (e.g., stocked, unavailable due to MBO, Vendor Out of
- Stock, or allocation situations)
- Real-time Product inventory quantity available (Product in stock minus those allocated
- to orders)
- Alternate Product search option
- Product inquiry search option
- Automatic substitution information option

2. Vendor's ordering system cannot display the following information:
   - Orange Book Rating – will be made available by January 1, 2011
   - HIN number (where applicable)
3. Vendor agrees that all new MMCAP Participating Facilities will be started with a standard default ordering set-up to ensure MMCAP contract compliance. This default set-up will be approved by the MMCAP Office prior to being deployed.
4. All MMCAP Contract Products and MMCAP Participating Facility individually negotiated contracts will be loaded in the prime or first position (with price being the ranking determinant between MMCAP Contract Products and individually negotiated contracts) and be visible in Vendor's ordering system. Vendor's ordering system will clearly identify MMCAP Contract Products. Vendor will not redirect MMCAP Participating Facility to other available contracts except with the written request of the MMCAP Participating Facilities.
5. Vendor's ordering screen will clearly identify special orders such as controlled substances (e.g., CIIs), Drop Shipments, and Closed Distribution Products. Closed Distribution Products and Drop Shipment Products are identified in the Stock status field. Drop Shipment Products are denoted with a "DSHP" within the item description.

B. 340B Drug Pricing Program

Vendor is and must remain for the term of this Agreement an authorized vendor for the 340B Drug Pricing Program. MMCAP Participating Facilities that are eligible and participating in the 340B Drug Pricing Program will maintain two separate purchasing accounts, one for ordering MMCAP Contract Products and one for ordering 340B Drug Pricing Program contract products.

C. Automatic Substitution

Automatic substitution will only be permitted upon specific request by an MMCAP Participating Facility, with prior written notification provided by Vendor to the MMCAP Office. In instances where the Vendor uses the Automatic Substitution process, the MMCAP Participating Facility must be notified of the substitution and the substituted Product must be annotated as such on the MMCAP Participating Facility's Order Confirmation. Once such an agreement is entered into between the Vendor and the MMCAP Participating Facility, the Vendor will be required to maintain an Adequate Supply of the alternate Product. There will be no commitment to buy the alternate Product and any order consisting of alternate Products will still require the prior approval of the MMCAP Participating Facility. Automatic substitution by the Vendor without the MMCAP Participating Facility's prior approval is prohibited. Upon request, Vendor will supply the MMCAP Office with a list of facilities using automatic substitution.

D. Confirmation Printback/Order Confirmation

1. All orders processed through Vendor's electronic ordering system will receive a Confirmation Printback or Order Confirmation generated from the Vendor's system and sent to the ordering MMCAP Participating Facility. For orders submitted through Cardinal.com ordering, an immediate Order Confirmation is provided to the user. Additionally, the MMCAP Participating Facility can elect to have the Order Confirmation print automatically to a local printer for each order submitted.
2. Any additional fees for Product distribution will show as a separate line charge on an invoice, but not on the Order Confirmation.
3. Order Confirmations, regardless of the order's source system, can be viewed on Cardinal.com once the order has been allocated. The timeframe for allocation is approximately five (5) minutes from the time Vendor receives the order. If the MMCAP Participating Facility chooses to receive an EDI Order Confirmation, the Order Confirmation is still generated at the time of allocation, however the file may take anywhere from 10 to 30 minutes to be transmitted to the MMCAP Participating Facility to allow for file translation time.

E. Controlled Substances Ordering System

1. Vendor's Controlled Substance Ordering System (CSOS) will allow MMCAP Participating Facilities to submit secure, electronic orders for controlled substances.
2. Vendor will provide CSOS through Cardinal.com.
3. Vendor's standard turnaround time for the hard copy version of DEA Form 222 is 24 hours to 48 hours, depending on location. If CSOS orders are received by the distribution centers' cutoff time, they will be delivered the next day.
4. Controlled substances ordered on a hard copy version of DEA Form 222 will be shipped upon Vendor's receipt of the form or on the Next Scheduled Delivery Day. Vendor will not impose any additional shipping charges for ordering controlled substances if the controlled substances are shipped separately from the original order or on the Next Scheduled Delivery Day.
5. For controlled substance orders using electronic CSOS (electronic DEA Form 222), Vendor's standard turnaround time is 24 hours. Vendor will not apply additional shipping charges for controlled substances when shipped separately from another order due to process delays.
6. All fees for the use of CSOS or for using the hard copy version of DEA Form 222 will be listed on Attachment B, Discounts and Fees.

F. Technical Support for Ordering

Vendor's technical support is available from 7:00 A.M. – 12:00 A.M. EST Monday-Friday and 9:00 A.M.-9:00 P.M. Saturday & Sunday. From midnight until 8 am, the line will transfer to voicemail, however, Vendor's technical staff on site will check voicemail every hour and will respond to any urgent issue. The primary method for contacting technical support is via telephone, however for certain support scenarios, technical support can accommodate requests via email.

G. Special Orders

1. All large, one-time orders should be requested through the MMCAP Participating Facility's Vendor account representative or customer service.
2. Special requests may be, but are not limited to: 1) special one-time orders, 2) items to be added to usage information to ensure they are included as routine stock items at the distribution center, 3) large quantities of identical lot numbers
3. For large volume orders, no more than ten (10) business days for processing and delivery will be required, subject to supplier availability. Vendor will need additional time for special requests requiring the same lot number.
4. Large, one-time orders are not returnable without prior approval of manufacturer or Vendor. Vendor commits the resources to working with the MMCAP Participating Facility and the manufacturer to find a solution if the product must be returned.

4.9 Delivery

A. Routine Delivery

1. Vendor agrees that all fees charged for delivery will be listed on Attachment B, Discounts and Fees. Vendor will not charge any additional fees for routine service to Alaska or Hawaii.
2. All routine scheduled order shipments will be F.O.B. destination, freight prepaid.
3. Vendor will provide delivery services based on average monthly purchasing volume as summarized below. Scheduled delivery days will be communicated at setup.

Average Monthly Purchasing Volume	Number of Free (No-Charge) Deliveries per Week
$0 - $25,000	5
$25,000 and up	5

4. Vendor agrees that it will not charge a fuel surcharge for the term of this Agreement and any extensions.
5. Vendor will provide a daily order and delivery schedule for each MMCAP Participating Facility. All deliveries will be made next day or on the Next Scheduled Delivery Day (excluding Alaska and Hawaii), unless communicated otherwise.
6. Vendor's daily order cut off time will be 7 pm local time with the delivery window from 7 am – 3 pm the next day depending on location and distance from servicing distribution center. Orders received Monday through Thursday will be delivered the following day. Orders received Friday will be delivered the next business day (Monday). Vendor's distribution centers will make a good faith effort to deliver before noon local time.
7. Vendor will provide a Holiday Schedule to each MMCAP Participating Facility and the MMCAP Office throughout the term of this Agreement. Vendor will notify MMCAP Participating Facilities of the holiday schedule by using tote stuffers.
8. Vendor usually makes normal deliveries via its contracted couriers. Delivery to locations outside of the continental US will be accomplished via commercial air and local couriers.
9. Vendor will stock and deliver Products that require special handling and shipping, such as controlled substances, refrigerated or temperature-controlled Products, oncology or chemotherapy Products, and any hazardous materials. Vendor will only ship hazardous materials as allowed by the appropriate government regulations.

10. Same day delivery is not available unless the service can be available through emergency delivery.
11. Damaged Products must be reported to Vendor's customer service department as set forth in Section 4.12 H, Goods Returned to PPV, and applicable credits will be issued within three (3) business days from receipt of the damaged item.
12. Lost Products must be reported to Vendor's customer service department as set forth in Section 4.12 H, Goods Returned to PPV,. Upon reconciliation, Vendor will apply credit for lost items as applicable within three (3) business days.
13. Vendor must have the ability to ship palletized deliveries via freight companies and must be able to use large companies for dock deliveries instead of small couriers. Orders should be shipped as ordered (by case or by pallet) to the facility so they can be properly unloaded and stored. Vendor will ship palletized and case quantity orders on a weekly or twice monthly basis for all distribution centers.
14. The MMCAP Office agrees to work with Vendor on abusive situations involving MMCAP Participating Facilities which request special delivery vehicles or methods for routine deliveries.

B. Drop Shipments

1. All fees associated with Drop Shipments are listed in Attachment B, Discounts and Fees.
2. The Vendor will act as a conduit to expedite and simplify the ordering and payment of drop shipped Products.
3. Unless approved by the MMCAP Participating Facility, Drop Shipments directly from product suppliers for recurring orders are prohibited.
4. Products requiring Drop Shipment must be easily identified in Vendor's ordering system. Vendor's Drop Shipment Products are denoted in Cardinal.com as DSHP.
5. Timelines for the delivery of Drop Shipment Products will be made per the request of the MMCAP Participating Facility (e.g., expedited shipment, standard delivery, etc). Vendor will place Drop Shipment requests with manufacturers or suppliers within one (1) business day of receiving the request from the MMCAP Participating Facility.
6. In the event that Vendor is unable to fill an MMCAP Participating Facility's order for an MMCAP Contract Product, Vendor will have the Product drop shipped directly from the manufacturer. The MMCAP Participating Facility will not be assessed a fee for this shipment.

C. Delivery for Special Products

1. Vendor will maintain appropriate temperatures and environmental conditions in accordance with manufacturer requirements for delivery to the MMCAP Participating Facilities. All refrigerated Products will be shipped in returnable coolers with appropriate packaging to maintain the required temperature range. Products requiring refrigeration will be clearly marked as such. Temperature monitors will be used if they are required by the manufacturer. All fees associated with temperature monitors are listed in Attachment B, Discounts and Fees.
2. All Products will be adequately packaged by Vendor. If an MMCAP Participating Facility refuses Product that has been inadequately packaged, the MMCAP Participating Facility must notify Vendor's customer service department to log the complaint. Any costs associated with the return of Product due to improper packaging or transport will be at the expense of the Vendor.
3. Vendor will comply with all DEA requirements for controlled substances.
4. Vendor must not distribute MMCAP Contract Products through associated specialty distributors without the prior written approval of the MMCAP Office or without the manufacturer requiring the Vendor to do so. Vendor has a relationship with Cardinal Health 108, Inc. d/b/a Specialty Pharmaceutical Distribution (SPD). SPD is a wholly owned subsidiary of Cardinal Health, Inc. The MMCAP Office acknowledges that Talecris has a limited distribution network and that Cardinal SPD will be distributing Talecris' products for MMCAP Participating Facilities.
5. In the event a manufacturer charges Cardinal SPD for shipping due to an expedited request by an MMCAP Participating Facility, Vendor will line item invoice the MMCAP Participating Facility for the same shipping cost charged by the manufacturer. Backup documentation will be available upon

request for any shipping fees that are charged to the MMCAP Participating Facility for products supplied by Cardinal SPD.

4.10 Inventory at an MMCAP Participating Facility

Vendor will provide, at no cost to the MMCAP Participating Facility, training, software, reports, and handheld devices to perform an onsite inventory. Hiring a physical inventory company is not included in these services. Requests for inventory support need to be made directly with the MMCAP Participating Facility's account representative or customer service. Vendor recommends a fourteen (14) day lead time to reserve extra Telxon devices for use in performing inventory; Vendor will take reservations for Telxons up to 60 calendar days prior to the inventory date. MMCAP Participating Facilities may also request a set of shelf labels to be printed using the facilities' purchase history. The labels can be printed in Brand or Generic name order for ease of use. Training on the inventory procedure may be on-site or online.

4.11 Contract Compliance

A. On-Contract Purchasing

Vendor agrees to encourage MMCAP Participating Facilities to purchase MMCAP Contract Products. Vendor must not condone or encourage in any way the purchase substitution of an MMCAP Contract Product with that of a Non-Contract Product. To ensure overall MMCAP Participating Facility contract compliance, Vendor may be asked to provide, at no cost to the MMCAP State Contacts in each state served by the Vendor, a monthly report containing the following fields:

1. MMCAP Participating Facility name
2. Agency account numbers (MMCAP Participating Facility ID Number and Vendor account number)
3. Contract volume (in dollars) by facility
4. Not-on-contract volume (in dollars) by facility
5. Total volume (in dollars) amounts by facility
6. Number of line items shipped to the facility

B. Compliance Calculations

Vendor agrees to report contract compliance using the MMCAP Office's preferred calculations whenever contract compliance is reported to the MMCAP Participating Facilities, the MMCAP Office, or any other entities designated by the MMCAP Office.

1. **Raw Contract Compliance:**

$$\frac{\textbf{MMCAP Contract Sales}^{a}}{\textbf{Total Sales}^{b}}$$

a. MMCAP Contract Sales: Products for which the MMCAP Office has negotiated a contract
b. Total Sales consist of MMCAP Contract Sales, Alternate Contract Sales, Vendor's Generic Drug Program pricing, and non-contract sales.

2. **Adjusted Contract Compliance:**

$$\frac{\textbf{MMCAP Contract Sales}^{a} + \textbf{Alternate Contract Sales}^{b}}{\textbf{Total Sales}^{c}}$$

a. MMCAP Contract Sales: Products for which the MMCAP Office has negotiated a contract

b. Alternate Contract Sales consist of Products purchased under the 340B Drug Pricing Program, Products purchased from contracts individually negotiated by the MMCAP Participating Facilities, and/or Products purchased from the Vendor's Generic Drug Program.
c. Total Sales consist of MMCAP Contract Sales, Alternate Contract Sales, and Non-Contract Sales.
d. In the event that an MMCAP Participating Facility has a 340B account, that portion of the MMCAP Participating Facility's business will be assigned a separate account number and Contract Compliance will be calculated in the same manner for that account.

3. Vendor will encourage the use of MMCAP Contract Products by providing training and services to MMCAP Participating Facilities during the bid roll and throughout the term of this Contract.
4. Cardinal.com will offer "Contract Ranking" settings to assist MMCAP Participating Facilities in color coding and sets a search result ranking bringing preferred contracts to the top of the users search screen.
5. In special situations where deemed necessary, Vendor will provide sub logic to the MMCAP Office to support corporate initiatives (e.g., market share agreements, contract switches and other potential formulary initiatives).
6. In the case where an MMCAP Participating Facility is denied contract pricing (e.g., vendor block), Vendor agrees to send notification to the MMCAP Office via e-mail (mn.multistate@state.mn.us).

C. Reporting Tools

1. Vendor agrees to provide online electronic access to all purchasing data relating to the Products that are purchased by each MMCAP Participating Facility to the MMCAP Office and MMCAP Participating Facilities. Vendor will provide a system for reporting each individual MMCAP Participating Facility's purchases, as well as be capable of running reports on select groups of facilities. Users must be able to manipulate the data to build reports based on each MMCAP Participating Facility's individual needs/requirements directly through the system or through the ability to transfer data into spreadsheets in a Microsoft Office compatible format.
2. Vendor agrees to provide each MMCAP Member and the MMCAP Office with entelligence, a web-based reporting tool. Entelligence rolls up purchase data from each of the points of purchasing within an organization and provides comprehensive reporting to evaluate purchasing (e.g., super-user). Report Writer is an ad hoc reporting tool that enables MMCAP Participating Facilities to create, preview, save, copy, and print report requests. Report Writer will also be made available to MMCAP's Members and the MMCAP Office.
3. At a minimum, Vendor will provide the following on-line reporting tools:
   - 80/20 (Velocity) Purchase Summary Report: ranks items by sales value over a designated period of time
   - Manufacturer Backorder reporting
   - Contract missed opportunities
   - Therapeutic interchange analysis
   - Brand-to-generic saving analysis
   - Budgetary forecasting and analysis
4. Vendor will set up a user login on Vendor's online ordering system for each MMCAP Member State and the MMCAP Office with all MMCAP Participating Facility accounts for the purpose of reporting at no cost.
5. Vendor will provide the technology to allow one user (e.g., super-user) to run reports for several MMCAP Participating Facilities' accounts at one time.

4.12 Invoicing

A. Order Invoice

1. Vendor agrees that MMCAP Participating Facilities will be invoiced at the MMCAP contract price for MMCAP Contract Products, plus or minus the negotiated service fee discount, throughout the term of this Agreement and any extensions. Service fee discounts will be applied to all Non-Contract Products with the exception of Non-Contract Bulky Products, as set forth in Attachment B, Discounts and Fees.
2. Vendor agrees that all service fee discounts will be in accordance with Attachment C, Service Fee Discount Matrix.
3. Vendor agrees that any fees besides cost for both MMCAP Contract Products and Non-Contract Products will be listed on Attachment B, Discounts and Fees.
4. Vendor shall not add any fee, percentage, or other cost to the Products purchased under this Agreement unless the fee, percentage, or cost is defined and approved in writing by the MMCAP Office prior to implementation.
5. Vendor will submit an invoice with each order. Invoices must be only for the amount of Product delivered, not the amount ordered. Quantity ordered and quantity shipped must be based on the packaging associated with the NDC number.
6. The MMCAP Office's definition of Bulky Products include food and food products, home healthcare products (durable medical equipment, such as walking aids, bathroom safety products, wheelchairs and accessories, scooters and lift chairs, etc.), non-contract nutritionals, school and office supplies, non-contract large volume parenterals, and non-contract IV Fluids. All service fee discounts and fees for the delivery of Bulky Products are listed on Attachment B, Discounts and Fees. No fees or special handling charges will be assessed for MMCAP contract nutritionals, MMCAP contract large volume parenterals, or MMCAP contract IV fluids throughout the term of this Agreement. Service fee discounts will be applied to MMCAP Contract Products that are also Bulky Products, including MMCAP contract nutritionals, MMCAP contract large volume parenterals, and MMCAP contract IV fluids, as set forth on Attachment B, Discounts and Fees.
7. Cardinal SPD will honor the MMCAP contract price, where applicable. Service fee discounts will be applied to MMCAP Contract Products that are drop shipped through Cardinal SPD. Cardinal SPD-contracted Blood Factor and Cardinal SPD-contracted Plasma Products that are not MMCAP Contract Products will be billed at market price as communicated prior to purchase.
8. All additional fees (e.g., service fees, shipping charges, emergency orders, etc.) charged by Vendor will be in line item detail separated from the product's cost and will be tied back to an original invoice number. Currently, Vendor's invoices have a memo field that is used to reference the original invoice in instances where fees or credits are billed to the MMCAP Participating Facility. Vendor will populate this memo field for all MMCAP Participating Facility orders, if applicable.
9. Vendor agrees to work with facilities requesting customized invoices within 120 days of project initiation. At no cost and upon request, Vendor will work with the MMCAP Participating Facility to develop a customized invoice format. Vendor agrees to respond to all customized invoice requests within 120 calendar days.
10. At a minimum, the Vendor's invoice will contain the following fields:

    Facility Name
    Vendor-assigned account number for the MMCAP Participating Facility
    Invoice number
    Invoice line number
    MMCAP Participating Facility's purchase order number
    Invoice date
    Vendor's SKU item number
    NDC (11 digit)
    Controlled substance classification
    Product Name/Description

Packaging as associated with NDC number
Unit price
Quantity ordered
Quantity shipped
Extension (unit price multiplied by the quantity shipped)
Total invoice price
Type of transaction (MMCAP contract purchase, other contract purchase (e.g., 340B, off-contract purchase))*
Service fee per line item (Vendor's invoice does not currently list the service fee discount per line item, however, Vendor will develop a system enhancement that will provide service fee discounts per line item on every invoice within a commercially reasonable timeframe.)
Bill to address
Ship to address
Applicable omit codes (e.g., Manufacturer Backorder, wholesaler temporarily out, manufacturer discontinued, etc.)

11. Vendor's invoice note codes indicate the type of transaction and are as follows:

Code	Definition
T	Taxable
CT	Contract
G	Generic substitution
SN	Special net
CS	Cardinal Health source program
PP	PharmPak discount
SP	Special pricing

12. Vendor's omit codes are:

Code	Definition
1	Manufacturer Backorder
2	Warehouse out
3	Manufacturer out
4	Not stocked
5	Manufacturer discontinued
6	Warehouse discontinued
7	Drug recall
8	New item/stock unavailable
9	Restricted item
10	Product allocation

B. Invoice Rounding

Vendor agrees to round down if the third digit after the decimal is 4 or less. Vendor agrees that any rounding will occur at the line item. Vendor does not currently have a system in place to provide traditional rounding as described. Vendor agrees to pay a fee to MMCAP if Vendor's traditional rounding system is not tested, approved, and implemented within 4 months of agreement or January 31, 2010 (whichever is longer). The fee will be $25,000 in month 1 (February 2010), $50,000 in month 2 (March 2010), $75,000 in month 3 (April 2010), and $100,000 per month thereafter (May 2010 and on). Vendor will provide a letter of assurance from its IT and Business Executives that these system changes will be made on or before the deadline. Vendor agrees to notify MMCAP 30 day prior to deadline if it will not meet the deadline.

Vendor Rounding Rebate Process

Vendor agrees to rebate, from contract execution until implementation certification, the difference between the Cardinal system rounding for the 3rd digit in a 5 decimal space format which rounds to the next penny, rather than rounding up or down based on the 3rd decimal space number.

KEY TERMINOLOGY

Traditional Rounding: Rounding using the 5 decimal space method where the third decimal space number determines the rounding up or down. If equal or greater than 5 at the third decimal space, the price rounds up to the next penny.

1.99101 = 1.99 or 1.99501 = 2.00

Cardinal Rounding: Rounding at the third decimal is rounded up to the next digit.

1.99101 = 2.00

PROCESS:

- A monthly query is generated by Cardinal Health to support the process of making facilities whole until technology is in place implementing traditional rounding.
- An analyst will pull all invoice data that are subject to rounding which includes only items that are priced using the Cardinal Rounding.
- These data will demonstrate the item's "base price" or "cost" as reflected on the invoice, and then compare it with the Traditional rounding method calculating a delta to be paid in the form of a credit using this process.
- Data used for the reconciliation process will have line item, invoice level detail.
- These data will be available to each respective state once generated in excel format for the purposes of their own internal reconciliation.
- Subsequent credits will be processed no later than the 20th of each month for the previous month's query.
- Credit Memos will come to each state facility account number where applicable.
- A special CIN (Cardinal Item Number) will be assigned to be utilized for the credits and a message will be input in the "Memo" section of the credit stating "Rounding Rebate".

C. Credits and Rebills

1. Vendor agrees to process credits and rebills daily as manufacturer notifications are received. Vendor will issue credits due to MMCAP Participating Facilities daily. In the case of an invoice dispute, Vendor will issue credits/rebills within two (2) business days after dispute resolution.
2. Vendor will make credits and rebills available to each MMCAP Participating Facility online, with the option to print a hard copy.
3. Vendor will notify MMCAP Participating Facility of credit balances through a monthly report showing all credits that were paid and any existing credit that is still available.
4. Vendor agrees that credits will not have an expiration date.
5. Vendor agrees that in the event of a facility closure or other extreme event where the MMCAP Participating Facility will not be making another purchase through Vendor, the MMCAP Participating Facility may cash out its credit(s).
6. Vendor agrees that if it is directed by an MMCAP Participating Facility, a credit can be transferred from one account to another account.
7. Vendor will clearly identify Credits as a credit.

8. The Vendor will take all necessary steps to ensure that credits that become available close to the end of the MMCAP Participating Facility's Fiscal Year are available for use by the MMCAP Participating Facility no later than five (5) business days prior to the end of the fiscal year.
9. Vendor's credit memo will contain:
    a. Original purchase order
    b. Original Vendor invoice number
    c. Original invoice date
    d. Itemized listing of the product(s) affected
    e. Any rebill associated with the credit
    f. Reason(s) for the credit (e.g., manufacturer credit, merchandise return, etc.)
    g. Net credit amount available to the MMCAP Participating Facility
10. Vendor will clearly identify Rebills as a rebill. Rebilled invoices can be found online via Cardinal.com through entelligence (Standard Reports).
11. Vendor's rebill memo will contain:
    a. Original purchase order
    b. Original Vendor invoice number
    c. Original invoice date
    d. Itemized listing of the product(s) affected
    e. Credit memo associated with the rebill
    f. Reason(s) for the rebill (e.g., manufacturer chargeback denial, pricing error, etc.)
12. Vendor agrees that rebills will reflect the net difference owed or due after any original credited amount has been applied.

D. Price Audits and Corrections

1. In the event of a pricing error (e.g., late pricing load, etc.) that is solely attributable to the Vendor, Vendor agrees to no longer process credit/rebills after the greater of 90 calendar days or the maximum allowed by the supplier. Vendor agrees to actively pursue any available remedies with suppliers on behalf of MMCAP Participating Facilities' interests and agrees to seek exceptions to supplier imposed limitations if necessary. This clause will in no way be deemed a limitation on the Parties as it relates to the future auditing and/or correction of invoices.
2. When an MMCAP Participating Facility or the MMCAP Office discovers an error in pricing for an MMCAP Contract Product that favors one MMCAP Participating Facility, Vendor will issue credits/rebills to ALL MMCAP Participating Facilities for the time period from the date the error began to the date it is corrected.
3. On a weekly basis throughout the term of this Agreement, Vendor will conduct contract pricing audits matching pricing information provided by the MMCAP Office against contract pricing provided by manufacturers. If Vendor discovers discrepancies, then Vendor will notify manufacturer and the MMCAP Office of the discrepancy in order to reach resolution. Upon resolution, Vendor will correct the errors, will create a sales history report, and enter credit(s)/re-bill(s) for each MMCAP Participating Facility connected to the contracts within five (5) business days.
4. The MMCAP Office and the MMCAP Participating Facilities acknowledge that if a pricing discrepancy is the fault of the applicable manufacturer, such manufacturer may limit recovery arising from such pricing discrepancy and Vendor shall not have any responsibility for such discrepancy or any such limitation.

E. Chargeback Denials

Vendor will notify the MMCAP Office when it receives legitimate chargeback denials from manufacturers that have denied MMCAP Participating Facilities contract pricing. Notification will be communicated to the MMCAP Office via an automated report. Vendor will provide this information within five (5) business days of validation with the supplier.

F. Invoice Disputes

Subject to state law, the MMCAP Participating Facility will notify Vendor of any known dispute with an invoice within 30 calendar days of receipt of the invoice.

The MMCAP Participating Facility shall pay all portions of a disputed invoice, subject to resolution of that dispute. If upon resolution, the disputed invoice was found to be in error, Vendor shall credit the original amount of the invoice and rebill the MMCAP Participating Facility.

Where the above is prohibited by an MMCAP Member State's applicable law(s), the Vendor shall comply with requirements of that state's law(s) related to disputed invoices. If state law prohibits the complete payment of a disputed invoice, Vendor agrees that any outstanding amount will not be held against the MMCAP Participating Facility when calculating service fee discounts.

Vendor will make a good faith effort to resolve known disputes related to contract pricing within 30 calendar days of notice of the dispute. This clause will in no way be deemed a limitation on the Parties as it relates to the future auditing and/or correction of invoices.

Unless otherwise prohibited by state law, where an MMCAP Participating Facility disputed invoice is found to be incorrect, the MMCAP Participating Facility may be liable for interest and penalties, as set forth in Section 4.22 Late Payment.

G. 810 EDI Invoices and Auditing

Vendor must provide 810 EDI invoices to the MMCAP Office, MMCAP Participating Facilities, and any other entity designated by the MMCAP Office.
Vendor will work with MMCAP's contracted invoice auditing vendor. Vendor will research product pricing that appears to have a discrepancy and will confirm that pricing and information with the manufacturer. Vendor will review and make a reasonable effort to resolve errors within ten (10) business days of notification from MMCAP-contracted invoice auditing vendor. Vendor will not charge the MMCAP Office or the MMCAP Participating Facility for use of an invoice auditing service or for invoice dispute resolution. Vendor will issue credits/rebills within three (3) days of manufacturer verification.

H. Goods Returned to the PPV

Vendor will maintain a returned goods policy for accepting returns from the MMCAP Participating Facilities in accordance with applicable laws, regulations, and normal business practices. MMCAP Office expects that there will be no associated fees for the following returns:

- Products returned due to Vendor error (e.g., incorrect item or quantity).
- Products received through the Vendor with visible or concealed damages.
- Recalled Products, regardless of level of recall.
- Products received through the Vendor that have less than six (6) months shelf life dating at the time of receipt from the Vendor, unless otherwise authorized by the MMCAP Participating Facility.

Vendor will not hold credits owed to MMCAP Participating Facilities from manufacturers in arrears with Vendor.

Returned Good Policy
Products in Saleable/Merchantable Condition

Returns Made Within:	Credit Amount:
1-60 Calendar Days from Invoice Date	Credit at 100% of Invoice Amount
61-180 Calendar Days from Invoice Date	Credit at 85% of Invoice Amount
181-396 Calendar Days from Invoice Date	Credit at 70% of Invoice Amount
Return Requests Greater than 396 Calendar Days	Not Accepted

Saleable/Merchantable Products

Definition – Saleable or merchantable Products are Products that (i) can be sold back into the marketplace after a return in the normal course of business and (ii) meet the following criteria:

- Product must have been purchased through the Vendor. Order shortages, filling errors and damaged products and short dated items must be reported within three (3) business days and returned within ten (10) business days of the original invoice date.
- Product must be in original condition with no defects or adulteration in packaging or labeling;
- Product must be unopened with seals intact and otherwise not adulterated, e.g., no partials will be accepted;
- Product must have at least 7 months dating remaining before expiration (current month plus 7 months.) Excludes seasonal Products, Products purchased on a "special order" basis, non-stock and drop-shipped Products (unless incorrect or damaged);
- Product must have been stored and transported under proper conditions while in custody of the customer;
- Product must be in accordance with the return policies of the applicable manufacturer; and
- Product listed by any state or federal regulatory agency as a high-risk Pedigree item must have valid invoice number to be verified by Vendor.

Products in Unsaleable/Unmerchantable Condition

Unsaleable/Unmerchantable Products

Definition – Unsaleable or unmerchantable are Products that are returned to the Vendor that do not meet the saleable or merchantable criteria described above or:

- Products that arrive at the Vendor with stickers where the stickers are not part of the manufacturer's original packaging and when the Product is damaged during the Vendor's attempt to remove the sticker.
- Products that are opened and seals broken, i.e., partials not accepted

Credit Percentage – 100%

- Products damaged in transit to customer, with concealed damage, received short dated or shortages each of which must be reported within three (3) business days of original invoice date and products must be returned within ten (10) business days of the original invoice date.
- Products returned within sixty (60) calendar days or less from the original invoice date.
- Recalled Products returned in accordance with applicable recall terms.
- Any Vendor Private Label Product that does not meet the definition of unsaleable/unmerchantable as described above.

Credit Percentage – 85%

- Products damaged in transit to customer, with concealed damage, received short dated or shortages each of which must be reported within three (3) business days of original invoice date and Product must be returned within ten (10) business days of the original invoice date.
- Products returned sixty-one (61) or more calendar days past the original invoice date.

Credit Percentage – 70%

- Products damaged in transit to customer, with concealed damage, received short dated or shortages each of which must be reported within three (3) business days of original invoice date and Product must be returned within ten (10) business days of the original invoice date.
- Products returned 181-396 calendar days past the original invoice date.

Credit Percentage – 0% (No Credit)

- Products that are not eligible for credit under the manufacturers return policy
- Any Products received more than twelve (12) months past the expiration date.
- Any Products that have open seals, i.e., partials.

Nonreturnable Products -

The following Products may not be returned. In the event Products are returned that have the following conditions, customer will receive zero (0) credit, the Product may be returned to the customer with return freight charged to the customer and/or customer may receive processing charges.

- Products purchased from any other source other than the contracted Vendor;
- Products for which customer does not transmit the invoice number with the Return Authorization;
- The quantity being returned exceeds the quantity on the applicable invoice;
- Schedule II controlled substance Products unless C-IIs are damaged in shipment. Customer must notify Vendor immediately (no later than 24 hours after delivery) Vendor will correct order or issue a credit under this circumstance.
- Schedule II controlled substance Products where customer orders more C-IIs than intended, Vendor may authorize the return and credit. Customer must notify Vendor immediately (no later than 24 hours after delivery).
- Unsaleable/Unmerchantable controlled drugs (CIIs-CVs)
- Products designated "no recourse" or "un-returnable" or other similar designation.
- Drop Shipment Products, Special Orders, deals, pre-packs, non-stocked or discontinued Products, seasonal Products, frozen Products, Products for which the manufacturer does not allow return, Products with low stability (e.g., unusually sensitive to temperature/handling situations), Products considered hazardous materials or toxic waste, Products not returnable by law proposed at the time of return and Products remaining in opened containers.

I. Reverse Distribution Processor

Vendor must have an agreement throughout this contract period with the MMCAP-contracted returned goods processor to allow all MMCAP Participating Facilities to fully participate in the services offered by the MMCAP Returned Goods Contract. The Returned Goods Processor is subject to change at any time. The Vendor will not withhold or delay application of a credit from a returned goods processor to the MMCAP Participating Facility's account for any reason. Vendor will not withhold credit owed to MMCAP Participating Facilities when the credit is from a manufacturer that is in arrears with the Vendor. All fees associated with reverse distribution, including returns from alternate processors that are not the awarded reverse distribution processing vendor for the MMCAP Returned Goods Program, are listed on Attachment B, Discounts and Fees.

J. Recalls

If any Product distributed under this contract is recalled or removed by the manufacturer or the Vendor itself, or if a recall is suggested or mandated by a regulatory or official Agency, Vendor will send notice to each ship-to location for which Vendor has a sales history within the affected recall timeframe. Recall notices will be sent with the MMCAP Participating Facility's next delivery or via mail if the MMCAP Participating Facility does not have a delivery the day the recall notice is released.

Depending on the class of the recall, Vendor will, after initiating a recall, send to any MMCAP Participating Facility that did not provide Vendor verification they received the recall notice, a second notice three weeks and/or six weeks after recall initiation.

Vendor will send recall notices to inactive MMCAP Participating Facilities that have ordered the recalled Product up to 12 months after the last purchase.

4.13 Pedigree

Vendor guarantees that all Products purchased are sourced directly from the manufacturer or the manufacturer's authorized distributor, without exception. Vendor agrees that its business practices meet or exceed each MMCAP Member's Pedigree requirements that it services. Vendor will adhere to any future changes in Pedigree laws for all applicable MMCAP Member States. If any new Pedigree laws which require change(s) to the current pharmaceutical distribution procedure(s) are passed, a minimum of 30 calendar days' notice of the change(s) will be provided so MMCAP Participating Facilities can prepare. Vendor agrees to provide next day service for those Products requiring a Pedigree. All fees associated with providing Pedigrees are listed on Attachment B, Discounts and Fees.

4.14 Emergency Order, Placement and Delivery

Vendor's procedure for placement of emergency orders during non-business hours will be made available to each MMCAP Participating Facility upon start up of service. Each MMCAP Participating Facility will be provided twelve (12) emergency orders annually free of charge. Any additional emergency orders beyond the twelve per year that are free will be assessed a fee as detailed in Attachment B, Discounts and Fees. An emergency order is defined as one necessary for immediate and specific patient care which falls outside the normal order and delivery parameters. Using air and ground options, Vendor will exhaust all resources in delivering emergency Product in the most timely and efficient methods. Air services may be used at the discretion of the vendor based on the severity of the emergency situation. Vendor will make a good faith effort to make emergency deliveries within four (4) hours following receipt of the order. OTC Products are not considered necessary for immediate and specific patient care and therefore do no qualify for free emergency orders. Service fee discounts will be applied to emergency orders as set forth in Attachment B, Discounts and Fees.

4.15 Other Value Added Services

A. Vendor's Generic Drug Program

Vendor may offer its Generic Drug Program to Participating Facilities with the following restrictions:

1. The program will not be mass loaded to all MMCAP Participating Facilities. States or individual MMCAP Participating Facilities may request the program, but it may only be loaded upon prior written approval of the MMCAP Office. Vendor will remove its Generic Drug Program from any MMCAP Participating Facility that makes such a request in writing.
2. Vendor will provide a monthly update listing all MMCAP Participating Facilities accessing the Generic Drug Program.
3. The Vendor may not solicit business from an MMCAP Participating Facility; the MMCAP Participating Facility must approach the Vendor and make the request to be added to Vendor's Generic Drug Program. Vendor reserve the right to explain to the MMCAP Participating Facilities the details of this new agreement. New MMCAP Participating Facilities will not be solicited to participate in the Vendor's generic program. Vendor agrees that it will not incentivize its representatives in order to gain business for it Generic Drug Program from MMCAP Participating

Facilities. Vendor agrees to provide a monthly report detailing all contracts the MMCAP Participating Facilities are attached to.

4. The Vendor-based Generic Drug Program will be used as a back-up to the MMCAP contracts and available ONLY as an alternative if an MMCAP Contract Product is not available because of manufacturer-caused actions (e.g., long term backorder) or if MMCAP does not have an equivalent generic Product on contract (in this case, equivalency is defined as generic name, strength, and packaging).
5. Vendor shall use the MMCAP contract portfolio solely for the purpose of providing distribution and related services to MMCAP Participating Facilities.
6. Vendor agrees to stock MMCAP Contract Products with usage greater than three (3) units per month at each distribution center. Vendor will provide a report by generic name which will identify any Generic Drug Program purchases where an equivalent MMCAP generic Product exists but is not stocked.
7. Vendor agrees to load the MMCAP Contract Products in prime or first position in Vendor's ordering system so that MMCAP Contract Products appear first when the MMCAP Participating Facility places an order.
8. For new MMCAP Participating Facilities, any Generic Drug Program offerings will not be ranked in the Vendor's ordering system before any MMCAP Contract Products and will be clearly labeled as a secondary contract item. The MMCAP Office agrees to educate MMCAP Participating Facilities in regard to ordering system default settings.
9. Vendor may be required to identify Generic Drug Program Products as such when Vendor reports sales data to the MMCAP Office.
10. Monthly, Vendor will pay an administrative fee to the MMCAP Office on all sales of Vendor's Generic Drug Program Products to the MMCAP Office in addition to any distributor administrative fee payments. See Attachment B, Discounts and Fees.
11. Vendor will apply service fee discounts to all Vendor Generic Drug Program purchases.
12. In order to audit compliance and non-competitiveness with the requirements above, Vendor must provide a report on a monthly basis to the MMCAP Office that details each product that is currently available on the Vendor-based contract program and the Product price so that the MMCAP Office can be sure that the Vendor's program is not competing with the MMCAP contract. The minimum data fields required are listed below:

Minimum data fields required
NDC (11-digit format)
Vendor product identification number
Product description (generic name)
Packaging
Supplier name (Manufacturer)
Quantity Purchased
Total Sales
Vendor's Generic Drug Program Price per Unit

B. Pharmacy Interfaces

Vendor's pharmacy interfaces with software/dispensing systems will be developed and implemented at no cost to the MMCAP Participating Facility. Training and technical support related to pharmacy interfaces will be provided at no cost.

C. Additional Services

Vendor must make all services and Products that are available to its general customers, but not specifically mentioned within this Agreement, available to all MMCAP Participating Facilities upon request and upon approval from the MMCAP Office.

4.16 Mandatory Reports

Vendor will provide the following reports:

A. Sales Data Report

Vendor will supply to the MMCAP Office accurate monthly sales data on or before the 10th day of the second subsequent month (e.g., June's data will be due July 10th). This report MUST include the following for every transaction between the Vendor and the MMCAP Participating Facility:

i. The first table details the required fields for the sales data report
ii. The second table details the required record layout in fixed record format.

Required Data Field Full Name for Sales Data Report
MMCAP-assigned facility ID
MMCAP Facility Name
Vendor Distribution Center Code
Vendor-assigned Account number for the MMCAP Facility
Invoice Number
Invoice Line Number
Purchase Order Number
Invoice date (mmddccyy)
Buyer name or equivalent of buyer ID for person submitting the invoices
Vendor's (distributor) SKU item number
NDC of purchased product in 5-4-2 format as stored in First DataBank, Inc.
Label Name
Unit Dose
Pack Size
Unit
Case Size
Dose
Strength
Route
Unit Price (99999.9999)
Quantity ordered (not Vendor repackaged or re-bundled quantity)(999999.9999)
Quantity shipped (not Vendor repackaged or re-bundled quantity) (999999.9999)
Extension (unit price multiplied by the quantity shipped) EXTENDED PRICE (99999999.999)
Type of transaction (MMCAP contract purchase, other contract purchase (340B,PHS), not on contract purchase) 1=contract item, 2=other contract, 3=not on contract
Bill to Address 1
Bill to City
Bill to State (2 alpha postal code)
Bill to Zip (standard 5-4 format, no dash necessary)
Ship to Address 1
Ship to City

Ship to State (2 alpha postal code)
Ship to Zip (standard 5-4 format, no dash necessary)
Service Fee (9999.9999)
MMCAP Contract Number (MMSxxxxx)
Admin fee for non-contract items (9999.9999)
Credit Indicator (C for credit)
MMCAP Assigned Wholesaler Code ***(Codes will be assigned to PPV's during implementation period of the contract)***
Manufacture Name (MFG Name)
Class of Trade
340b Purchase

Remainder of Page Intentionally Left Blank

Monthly Sales Data Usage Report - Fixed Length Fields

Required Data Field Full Name	Field Name	Data Type	Format (note decimals are to be included)	Size	Nulls	Begin Column	End Column
MMCAP-assigned facility ID	MMCAP_id	Alpha Numeric		7	1	1	7
MMCAP Facility Name	MMCAP_Name	Alpha Numeric		30	1	8	37
Vendor Distribution Center Code	DistributionCenter	Alpha Numeric		3	1	38	40
Vendor-assigned Account number for the MMCAP Facility	VendAccountNo	Alpha Numeric		10	1	41	50
Invoice Number	InvoiceNumber	Alpha Numeric		15	1	51	65
Invoice Line Number	InvoiceLineNo	Alpha Numeric		4	1	66	69
Purchase Order Number	poNumber	Alpha Numeric		15	1	70	84
Invoice date (mmddccyy)	InvoiceDate	numeric	mmddccyy	8	1	85	92
Buyer name or equivalent of buyer ID for person submitting the invoices	BuyerName	Alpha Numeric		20	1	93	112
Vendor's (distributor) SKU item number	SKU	Alpha Numeric		13	1	113	125
NDC of purchased product in 5-4-2 format as stored in First DataBank, Inc.	NDC	Alpha Numeric	999999999	11	1	126	136
Label Name	LabelName	Alpha Numeric		40	1	137	176
Unit Dose	UD	numeric	9	1	1	177	177
Pack Size	Pack_Size	numeric	99999.999	9	1	178	186
Unit	Unit	Alpha Numeric		2	1	187	188
Case Size	Case_Size	numeric	9999	4	1	189	192
Dose	D	Alpha Numeric		10	1	193	202
Strength	STR	Alpha Numeric		10	1	203	212
Route	RT	Alpha Numeric		10	1	213	222
Unit Price (99999.9999)	UnitPrice	numeric	99999.9999	10	1	223	232
Quantity ordered (not Vendor repackaged or re-bundled quantity)(999999.9999)	QuantityOrdered	numeric	999999.9999	11	1	233	243
Quantiy shipped (not Vendor repackaged or re-bundled quantity) (999999.9999)	QuantityShipped	numeric	999999.9999	11	1	244	254
Extension (unit price multiplied by the quantity shipped) EXTENDED PRICE (99999999.999)	ExtendedPrice	numeric	99999999.999	13	1	255	267
Type of transaction (MMCAP contract purchase, other contract purchase (340B,PHS), not on contract purchase) 1=contract item, 2=other contract, 3=not on contract	SaleType	Alpha Numeric		1	1	268	268
Bill to Address 1	billtoaddress1	Alpha Numeric		30	1	269	298
Bill to City	billtocity	Alpha Numeric		20	1	299	318
Bill to State (2 alpha postal code)	billtostate	Alpha Numeric		2	1	319	320
Bill to Zip (standard 5-4 format, no dash necessary)	billtozip	Alpha Numeric		9	1	321	329
Ship to Address 1	shiptoaddress1	Alpha Numeric		30	1	330	359
Ship to City	shiptocity	Alpha Numeric		20	1	360	379
Ship to State (2 alpha postal code)	shiptostate	Alpha Numeric		2	1	380	381
Ship to Zip (standard 5-4 format, no dash necessary)	shiptozip	Alpha Numeric		9	1	382	390
Service Fee (9999.9999)	ServiceFee	numeric	9999.9999	9	1	391	399
MMCAP Contract Number (MMSxxxxx)	contractnumber	Alpha Numeric		10	1	400	409
Admin fee for not-on-contract items (9999.9999)	AdminFee	numeric	9999.9999	9	1	410	418
Credit Indicator (C for credit)	CreditIndicator	Alpha Numeric		1	1	419	419
MMCAP Assigned Wholesaler Code (AmeriSource-Bergen=0401, Cardinal Health=0301, Morris-Dickson=0701, Bergen=0201, ***(New codes will be assigned to PPV's during implementation period of the contract)***	WholeCode	Alpha Numeric		4	0	420	423
Manufacture Name (MFG Name)	MfgName	Alpha Numeric		40	1	424	463
Class of Trade	ClassofTrade	Alpha Numeric		4	1	464	467
340b Purchase	340b	Alpha Numeric		1	1	468	468

B. Monthly Payment Report

Vendor will provide to the MMCAP Office accurate monthly payment data on or before the 10th day of the second subsequent month (e.g., June's data will be due July 10th).

1. The first table details the required fields for the monthly payment report
2. The second table details the required record layout in fixed record format.

MMCAP Payment Data Fields
MMCAP-assigned facility ID
MMCAP Facility Name
Vendor-assigned Account number for the MMCAP Facility
Invoice Number
Invoice Line Number
Purchase Order Number
Vendor's (distributor) SKU item number
NDC of purchased Product in 5-4-2 format as stored in First DataBank, Inc.
Payment Due Date (mmddccyy)
Label Name
Packaging as associated with NDC Number
Date Payment Credited to Account (mmddccyy)
Quantity Purchased-must be expressed in terms of the packaging associated with the NDC (not Vendor repackaged or re-bundled quantity) (999999.9999)
Dollar Amount of Transaction-to the third decimal. The dollar amount must be the actual acquisition cost, after any discounts and service fees.
Credit Indicator (C for credit)
ID for person making the payment

Remainder of Page Intentionally Left Blank

Record Layout for the Monthly Payment File - Fixed Length Fields

Long Name (from original MMCAP Agreement)	Field Name	Data Type	Format (note decimals are to be included)	Size	Nulls	Begin Column	End Column
MMCAP-assigned facility ID	MMCAP_id	Alpha Numeric		7	1	1	7
MMCAP Facility Name	MMCAP_Name	Alpha Numeric		30	1	8	37
Vendor-assigned Account number for the MMCAP Facility	VendAccountNo	Alpha Numeric		10	1	38	47
Invoice Number	InvoiceNumber	Alpha Numeric		15	1	48	62
Invoice Line Number	InvoiceLineNo	Alpha Numeric		4	1	63	66
Purchase Order Number	poNumber	Alpha Numeric		15	1	67	81
Vendor's (distributor) SKU item number	SKU	Alpha Numeric		13	1	82	94
NDC of purchased Product in 5-4-2 format as stored in First DataBank, Inc.	NDC	numeric	99999999999	11	1	95	105
Payment Due Date (mmddccyy)	DueDate	numeric	mmddccyy	8	1	106	113
Label Name	LabelName	Alpha Numeric		40	1	114	153
Packaging as associated with NDC Number	Packaging	Alpha Numeric		16	1	154	169
Date Payment Credited to Account (mmddccyy)	PaymentCDate	numeric	mmddccyy	8	1	170	177
Quantity Purchased-must be expressed in terms of the packaging associated with the NDC (not Vendor repackaged or re-bundled quantity) (999999.9999)	QuantityOrdered (Shipped)	numeric	999999.9999	11	1	178	188
Dollar Amount of Transaction-to the third decimal. The dollar amount must be the actual acquisition cost, after any discounts and service fees.	TranDollar	numeric	99999999.999	13	1	189	201
Credit Indicator (C for credit)	CreditIndicator	Alpha Numeric		1	1	202	202
ID for person making the payment	BuyerName	Alpha Numeric		20	1	203	222

C. Kill/Fill Report

Vendor will provide to the MMCAP Office accurate kill/fill data on or before the 10th day of the second subsequent month (e.g., June's data will be due July 10th). This data must be provided in an Excel format and be submitted electronically to mn.multistate@state.mn.us. The following table details the required fields for the Kill/Fill data report:

Field Long Name
MMCAP ID
Customer Name
PPV Customer DC Number
Customer Distribution Center
PPV Customer Number
Address
City
State
NDC of Product in 5-4-2 format as stored in First DataBank
Invoice Number
Invoice Date
Short Reason Code
Short Reason Description
Product Trade Name
Product Generic Name
Pack Qty
Pack Size
Order Quantity
Shipped Quantity
Killed Qty
Extended Sales

Remainder of Page Intentionally Left Blank

D. Contract Change Report

Vendor will provide to the MMCAP Office accurate Contract Change data on or before the first day of each week. This data must be provided in an Excel format (may be zipped) and be submitted electronically to mn.multistate@state.mn.us. The table below details the required fields from the Contract Change Report. This report must include the following for every Product added to, changed, or deleted from the MMCAP contract.

Long Field Description Name – Contract Change Report
MMCAP Office Assigned PPV Number
Contract Start Date
Contract End Date
Pharmaceutical Manufacturer Contract Number
Vendor Product ID Number
Pharmaceutical Manufacturer
Description
NDC (11 digit format)
Packaging
Current Price
Previous Price
Effective Date
Change Type (e.g., price increase, price decrease, NDC change, etc.)

E. Contract Audit Report

Vendor will provide to the MMCAP Office accurate contract data on or before the first day of each week. This data must be provided in an Excel format (may be zipped) and be submitted electronically to mn.multistate@state.mn.us. The table details the required fields for the Contract Audit Report. This report MUST include the following for every product loaded and attached to the MMCAP contract:

Long Field Description Name – Contract Audit Report
Vendor Name
MMCAP Contract Number
Product Item Unit Number
NDC of Product in 5-4-2 format as stored in First DataBank
Manufacturer
Item Description
Vendor Reference Contract Number
Size
Form
UOM
MMCAP Contract Cost
Contract Start Date
Contract End Date

F. Off-Contract with Alternative On-Contract Report

Vendor will provide to the MMCAP Office accurate Off-Contract with Alternative Item On-Contract report on or before the 10th day of the subsequent month (e.g., June's data will be due on July 10th). This report must be provided in an Excel format and be submitted electronically to mn.multistate@state.mn.us. The table details the required fields for the Off-Contract with Alternative On-Contract Report. This report MUST include the following for every transaction where an MMCAP Contract Product was available for an off-contract purchase:

Field Long Name – Off-Contract with Alternate On-Contract Report
MMCAP ID
Customer Name
PPV Customer DC Number
Customer Distribution Center
PPV Customer Number
Address
City
State
NDC of Product in 5-4-2 format as stored in First DataBank Off Contract
Product Generic Name
Product Trade Name
Pack Size
Order Quantity
Cost
NDC of Product in 5-4-2 format On MMCAP contract
Product Generic Name
Product Trade Name
Pack Size
Cost
Difference in price from off contract to on contract

G. Raw and Adjusted Fill Rate Report

Vendor will provide to the MMCAP Office a Raw and Adjusted Fill Rate Report. The Raw and Adjusted Fill Rate Report must be received on or before the 10th day of the subsequent month (e.g., June's data will be due on July 10th). The table details the required fields for the Raw and Adjusted Fill Rate Report. This report must be provided in an Excel format and be delivered electronically to mn.multistate@state.mn.us. This report MUST include the following fields:

Field Long Name – Raw and Adjusted Fill Rate Report
MMCAP ID
Customer Name
PPV Customer DC Number
Customer Distribution Center
PPV Customer Number

Address
City
State
Raw Fill Rate
Adjusted Fill Rate

H. Vendor Member Listing

Vendor will provide a listing to the MMCAP Office of the MMCAP Participating Facilities attached to the MMCAP contract on or before the 10th day of the subsequent month (e.g., June's data will be due on July 10th). The data must be submitted electronically to mn.multistate@state.mn.us.

I. Manufacturer Backorders

Vendor will provide to the MMCAP Office, at a minimum, biweekly a listing of all MMCAP Contract Products backordered due to the manufacturer's inability to supply the Product. The Excel report must be delivered electronically to mn.mmcap@state.mn.us and any other sources MMCAP designates (e.g., current vendor hosting MMCAP's online catalog).

Required MBO Report Fields and Record Layout
Product Description
Manufacturer (spelled out, no abbreviations)
NDC (11 digit format as defined in First DataBank)
Packaging (as associated with NDC)
Backorder Status
Information (short term, long term)
Due Date

J. Vendor Reports Available to MMCAP

The following reports must be available in both hard copy and electronic/exportable formats (e.g., Excel) at no charge to the MMCAP Office, MMCAP Member, and/or the MMCAP Participating Facilities. The Vendor may be charged liquidated damages for inaccurate reports that must be adjusted by the MMCAP Office or the MMCAP Participating Facility to ensure accuracy. Vendor must be able to supply to the MMCAP Participating Facilities accurate reports with the following information:

1. Monthly, quarterly, and annual reports detailing total purchases (payment amount and units) by individual item (clearly identified via NDC, SKU, vendor, and label name) sorted in both label name and descending dollar order. Units must correspond to the packaging associated with the NDC.
2. Monthly reports listing the purchases of controlled substances and the associated invoice and/or purchase order numbers along with MMCAP Facility name and ID number, NDC number, invoice number, invoice line number, label name, date shipped, amount paid, date payment credited, and DEA number.
3. Velocity report (fastest moving and high dollar) containing forecasted velocity codes with order points and order quantities.
4. Price change report (twice a month), indicating MMCAP Contract Products and Non-Contract Products with price changes.

5. Physical inventory reports sorted by AHFS pharmaceutical category and/or alpha generic order. These reports must show the label name, NDC, quantity, cost per unit and the extended cost of the Product units on hand.
6. Drug usage (amount paid and units) by American Hospital Formulary Service (AHFS) category. Units must correspond to the packaging associated with the NDC.
7. Daily report of all non-serviced Products delivered or transmitted to the MMCAP Participating Facility the same day it is generated by the same method that the original order was transmitted.
8. Monthly list of discontinued Products and new Products.
9. Any other reports required by law.

4.17 Reserved

4.18 Business Interruption Plan

Vendor must have in-place during the term of this Agreement, an emergency preparedness and business continuity plan. During implementation, Vendor will work with each MMCAP Participating Facility to develop a pre-selected list of Products to be shipped in the event of a national or regional emergency. Vendor's detailed Disaster Recovery Plan is available upon request at the MMCAP Office.

As part of the Business Continuity Plan, Vendor will provide:

1. Up to three backup locations for each distribution center
2. Emergency customer support and centralized command and control centers
3. Procedures for contacting employees
4. Strong relationships with suppliers to maintain fuel supply in the event of a shortage
5. Working relationships with government agencies and industry trade associations

4.19 Shareback Credits

Vendor will manage, at no additional cost to the MMCAP Office, MMCAP Members, or the MMCAP Participating Facilities, the MMCAP annual shareback credit according to the schedule below:

1. The MMCAP Office will provide Vendor a list of MMCAP Participating Facilities receiving a credit, the credit amount for each facility, and a check for the total amount of all credits to be provided.
2. Vendor must apply the credit to all listed MMCAP Participating Facilities within fifteen (15) business days of the receipt of the funds and the list of facilities receiving credit has been received from the MMCAP Office.
3. Within 30 business days of the receipt of the funds and the list of facilities receiving credit, Vendor must provide to the MMCAP Office an Excel Spreadsheet detailing the credit memo information. This Excel listing must include the following fields: distribution center, account number, facility name, facility address, facility city, facility state, DEA, HIN, date of credit memo, credit memo number, and credit memo amount.
4. Within 60 business days of the receipt of the funds, Vendor will refund to the MMCAP Office any remaining dollars for which it was unable to issue credit; this may be for any MMCAP Participating Facilities that were determined to no longer be valid members or

that were not able to be located for any variety of reasons. Vendor will work with the MMCAP Office to identify all MMCAP Participating Facilities to the best of their ability in an effort to issue all necessary credits before refunding dollars back to the MMCAP Office.

5. Upon initiating the refund to the MMCAP Office, Vendor will provide a copy of the original Shareback Credit spreadsheet detailing the credit information (received from the MMCAP Office), the reason for non-application of funds, and the dollar amount of the funds being returned to the MMCAP Office.

4.20 Administrative Fee

In consideration for services provided by the MMCAP Office, the Vendor will pay an administrative fee on all purchases (less any credits and returns) made through Vendor. Administrative fees will not be paid on Prime Vendor 340B Drug Pricing Program sales or Prime Vendor DSH sales. The Vendor will submit a check payable to "State of Minnesota, MMCAP Program" for all MMCAP Participating Facilities' purchases covered under this Agreement. The administrative fee must be paid as soon as is reasonable after the end of each month, but no later than 30 calendar days after the end of the month. The MMCAP Office reserves the right to collect interest on payments 30 calendar days past due at a rate of 18% annually, consistent with Minn. Stat. § 16A.124.

Vendor will submit monthly administrative fee data for all sales made through Vendor. A detailed data file format will be provided upon execution of this Agreement. All required administrative fee data files must be sent to: Mn.MMCAP@state.mn.us at the end of each month, but no later than 30 days after the end of the month. Failure to comply with this provision may constitute breach of this Agreement.

4.21 Payment

Each MMCAP Participating Facility will be responsible for payment of goods and services provided by Vendor. The MMCAP Office will have no liability for an unpaid invoice of any MMCAP Member or MMCAP Participating Facility. Vendor agrees to invoice the MMCAP Participating Facility for all Products shipped. Vendor will accept Electronic Funds Transfer (EFT) for payment, but is not offering any additional discounts for paying by EFT as set forth in Attachment C, Service Fee Discount Matrix. At time of new account set up, the MMCAP Participating Facility will initiate this process with its bank. Vendor does not accept State Purchasing Cards (P-cards) as a payment method.

Service fee discounts and payment term definitions are listed on Attachment C, Service Fee Discount Matrix.

4.22 Late Payment

This clause shall not apply to an MMCAP Member or an MMCAP Participating Facility when prohibited by that MMCAP Member's or MMCAP Participating Facility's individual state law.

If any MMCAP Participating Facility fails to comply with the agreed upon payment terms, Vendor will have the right to change the service fee discount to that which the MMCAP Participating Facility is entitled to prospectively, to reflect that MMCAP Participating Facility's

actual payment practices. An MMCAP Participating Facility shall be deemed to have failed to comply with the payment terms if it does not make timely payment for a period lasting two cycles or, with respect to MMCAP Participating Facilities selecting the 30 Day Pay or 45 Day Pay, for a period of sixty (60) calendar days.

Balance of Page Intentionally Left Blank

Attachment A Citation	Fee Description	Cardinal Associated Fees
4.3 B.2.b	Vendor initiated routine contact with the MMCAP Participating Facility	Routine contact is based on average monthly purchasing volume. **$25,000 or less:** telephone contact every 30 calendar days or at a minimum once per quarter. Onsite visits will be available upon reasonable request. **$25,001 to $100,000:** contact will be made every 90 calendar days by phone or on-site visit and a Customer Business Review will be held either on-site or via phone every 180 calendar days. **$100,001 or more:** contact will be made every 90 calendar days by phone or on-site visit and a Customer Business Review will be held either on-site or via phone every 120 calendar days. Additionally, for MMCAP Participating Facilities with $25,001 or more in average monthly purchasing volume, Vendor will offer dialogue to the MMCAP State Contact(s) once every 30 calendar days via phone with on-site visits available as needed.
4.5 C.1	Number of days to provide a Product ordered but not delivered due to a Vendor-created Stock Outage	Three (3) business days. Vendor agrees to work with MMCAP Participating Facilities to expedite product delivery on a case-by-case basis.
4.6 C.2	Application of MMCAP Participating Facilities' service fee discounts to MMCAP Contract Products that are priced at WAC - 0%	Vendor will apply service fee discounts to all MMCAP Contract Products, including MMCAP Contract Products priced at WAC - 0%.
4.6 C.3	Delivery fees for MMCAP Contract Products priced at WAC - 0%	There will be no charge for delivery of MMCAP Contract Products priced at WAC - 0% if the purchases are delivered with the MMCAP Participating Facility's normal delivery schedule.
4.7 B.1	Fees for ordering methods supplied by Vendor	Vendor's online ordering application (Cardinal.com) is available for no charge to all MMCAP Participating Facility accounts. Vendor's EDI, phone order via interactive voice response, direct calls to customer service, handheld device ordering, and fax ordering will also be provided at no charge.

Attachment A Citation	Fee Description	Cardinal Associated Fees
4.7 B.1	Fees for ordering system hardware supplied by Vendor that is available upon request to MMCAP Participating Facility accounts that have an average monthly purchasing volume of $25,000 or less	For all MMCAP Participating Facilities with an average monthly purchasing volume less than $25,000, Vendor will provide purchase options as follows: a.) $1,000 for a traditional ordering hardware package (CPU, monitor, keyboard, mouse and printer), and/or b.) Mobile Solutions on Vendor's lease program at $100 per month. For traditional ordering hardware packages, the total cost will be split into monthly payments; the monthly charge will not exceed the set value ($1,000) of the traditional ordering package. Ownership of the traditional ordering hardware package will transfer to the MMCAP Participating Facility upon reaching the value of the traditional hardware package.
4.7 B.1	Fees for ordering system hardware supplied by Vendor that is available upon request to MMCAP Participating Facility accounts that have an average monthly purchasing volume of $25,000 or more	For all MMCAP Participating Facilities with an average monthly purchasing volume of $25,000 or more, Vendor will provide the choice of: a.) traditional ordering hardware package (CPU, monitor, keyboard, mouse and printer) without additional charge, or b.) Mobile Solutions on Vendor's lease program at $70 per month.
4.7 B.1	Fees for handheld ordering devices	**Telxons:** Vendor will provide one Telxon to each MMCAP Participating Facility at no charge. Additional Telxons will be made available upon request and based on need. **Mobile Solutions:** **Average monthly purchasing volume less than $25,000:** $100 per month. **Average monthly purchasing volume of $25,000 or more:** $70 per month.
4.8 E.6	Fees for ordering controlled substances using a hard copy of DEA Form 222 or Vendor's Controlled Substance Ordering System (CSOS)	There will be no fees for the use of CSOS or for using the hard copy version of DEA Form 222 throughout the term of the Agreement.
4.9 A.1	Routine delivery fees	Vendor agrees that there will be no charges for routine deliveries.
4.9 A.1	Delivery fees for the states of Alaska and Hawaii	Vendor will not charge any additional fees for service to Alaska or Hawaii.

Attachment A Citation	Fee Description	Cardinal Associated Fees
4.9 A.3	Number of free (no-charge) deliveries per week for MMCAP Participating Facility accounts purchasing an average monthly volume of less than $25,000	5 free scheduled deliveries per week (Monday - Friday).
4.9 A.3	Number of free (no-charge) deliveries per week for MMCAP Participating Facility accounts purchasing an average monthly volume of $25,000 or more	5 free scheduled deliveries per week. (Monday - Friday).
4.9 A.4	Fuel surcharge	Vendor will not charge a fuel surcharge for the term of this Agreement and any extensions.
4.9 B.1	Application of service fee discounts to MMCAP Contract and Non-Contract Drop Shipments	Service fee discounts will be applied to MMCAP Contract Drop Shipments. Service fee discounts will be applied to Non-Contract Products that must be drop shipped due to a Vendor-created Stock Outage (excluding cases where the manufacturer is unable to supply the MMCAP Contract Product). Service fee discounts will be applied to Non-Contract Drop Shipment Products that do not fall into the definition of Bulky Products.
4.9 B.1	Delivery fees for MMCAP Contract and Non-Contract Product Drop Shipments	Vendor will not assess transfer or handling fees for any MMCAP Contract or Non-Contract Products that are drop shipped or inter-company transferred from another distribution center to the facility.
4.9 C.1	Fees for the use of temperature monitors if requested by an MMCAP Participating Facility	If temperature monitors are required by the manufacturer, then there will be no fee assessed for their use. Vendor does not routinely use temperature monitors.
4.9 C.5	Fees for delivery through Vendor's specialty distributor, Cardinal SPD	In the event a manufacturer charges Cardinal SPD for shipping due to an expedited request by an MMCAP Participating Facility, Vendor will line item invoice the MMCAP Participating Facility for the same shipping cost charged by the manufacturer. Backup documentation will be available upon request for any shipping fees that are charged to the MMCAP Participating Facility for products supplied by Cardinal SPD.

Attachment A Citation	Fee Description	Cardinal Associated Fees
4.10	Fees related to MMCAP Participating Facility inventory activities	Vendor will provide, at no cost to the MMCAP Participating Facility, all necessary training, software, reports, and handheld devices to perform an onsite inventory. Vendor recommends a fourteen (14) day lead time to reserve extra Telxon devices for use in performing inventory.
4.12 A.1	Application of service fee discounts to MMCAP Contract Products	Vendor shall apply service fee discounts to all MMCAP Contract Products.
4.12 A.1	Application of service fee discounts to Non-Contract Products	Service fee discounts will be applied to Non-Contract Products, (including Vendor's Generic Drug Program Products), with the exception of Non-Contract Products that meet the definition of Bulky Products.
4.12 A.6	Definition of Bulky Products	Bulky Products include food and food products, home healthcare products (durable medical equipment, such as walking aids, bathroom safety products, wheelchairs and accessories, scooters and lift chairs, etc.), non-contract nutritionals, school and office supplies, non-contract large volume parenterals, and non-contract IV Fluids.
4.12 A.6	Delivery fees for MMCAP Contract and Non-Contract Bulky Products	There will be no charges for delivery of MMCAP Contract or Non-Contract Bulky Products if it is within the MMCAP Participating Facility's normal delivery schedule.
4.12 A.6	Application of service fee discounts to MMCAP Contract and Non-Contract Bulky Products	Service fee discounts will be applied to MMCAP Contract Products that also meet the definition of Bulky Products. Service fee discounts will not be applied to Non-Contract Bulky Products.
4.12 A.7	Delivery fees and Application of service fee discounts for Blood Factor and Plasma Products plasma products delivered through Cardinal SPD	Service fee discounts will be applied to MMCAP Contract Products that are drop shipped through Cardinal SPD. Cardinal SPD-contracted Blood Factor and Cardinal SPD-contracted Plasma Products that are not MMCAP Contract Products will be billed at market price as communicated prior to purchase.

Attachment A Citation	Fee Description	Cardinal Associated Fees
4.12 B	Rounding	Vendor agrees to round down if the third digit after the decimal is 4 or less. Vendor agrees that any rounding will occur at the line item. Vendor does not currently have a system in place to provide traditional rounding as described. Vendor agrees to pay a fee to MMCAP if Vendor's traditional rounding system is not tested, approved, and implemented within 4 months of agreement or January 31, 2010 (whichever is longer). The fee will be $25,000 in month one (February 2010), $50,000 in month two (March 2010), $75,000 in month three (April 2010), and $100,000 per month thereafter (May 2010 and on). Vendor will provide a letter of assurance from its IT and Business Executives that these system changes will be made on or before the deadline. Vendor agrees to notify MMCAP 30 days prior to deadline if it will not meet the deadline.
4.12 I	Processing fees for reverse distribution	There will be no fees charged for reverse distribution processing through MMCAP's awarded returned goods processing. Vendor will charge a 2% fee for returns from alternate processors that are not the awarded processor vendor for the MMCAP Returned Goods Program.
4.13	Fees for providing Pedigrees	Vendor will not charge for providing pedigrees Pedigrees throughout the term of this Agreement and any extensions.
4.14	Number of free (no-charge) emergency orders per account per year	Vendor will provide each MMCAP Participating Facility with twelve (12) emergency orders annually free of charge. Only prescription pharmaceuticals will be eligible for free emergency delivery (OTC products Products are not considered necessary for immediate and specific patient care and therefore do no qualify for free emergency orders.). Service fee discounts will be applied to MMCAP contract and non-contract emergency purchases.
4.14	Delivery charge for emergency orders that exceeding the number of free (no charge) emergency orders per year	All emergency orders beyond the twelve (12) free per year allowance will be assessed the cost of the product Product plus the cost of delivery. If delivery charges are not available at the time of invoice, any resulting invoice must contain the original invoice and/or purchase order number of the original emergency order.
4.14	Service fee discounts and emergency orders	Vendor will apply the appropriate service fee discounts to all emergency deliveries.
4.15 A.10	Administrative fee for Vendor's Generic Drug Program	Monthly, Vendor will pay an administrative fee to the MMCAP Office of 3% on all MMCAP Participating Facility sales from its Generic Drug Program.
4.15 A.11	Application of service fee discounts to Vendor Generic Drug Program	Service fee discounts will be applied to all MMCAP Participating Facilities' Vendor Generic Drug Program purchases.

Attachment A Citation	Fee Description	Cardinal Associated Fees
4.20	Contract administration fee paid to MMCAP	In consideration for services provided by MMCAP, Vendor will pay an administrative fee of 0.25% on all MMCAP Participating Facility purchases (less any credits and returns) made through Vendor. Administrative fees will not be paid on Prime Vendor 340B Drug Pricing Program sales or Prime Vendor DSH sales. The administrative fee must be paid as soon as is reasonable after the end of each month, but no later than 30 calendar days after the end of the month.
4.22	Late payment fees **This clause shall not apply to an MMCAP Member or an MMCAP Participating Facility when prohibited by that MMCAP Member's or MMCAP Participating Facility's individual state law.**	Vendor does not apply late payment fees. However, if any MMCAP Participating Facility fails to comply with the agreed upon payment terms, Vendor will have the right to change the service fee discount to that which the MMCAP Participating Facility is entitled to prospectively, to reflect that MMCAP Participating Facility's actual payment practices. An MMCAP Participating Facility shall be deemed to have failed to comply with the payment terms if it does not make timely payment for a period lasting two cycles or, with respect to MMCAP Participating Facilities selecting the 30 Day Pay or 45 Day Pay, for a period of sixty (60) calendar days.

Balance of Page Intentionally Left Blank

Attachment C - Service Fee Discount Matrix

Service fee discounts will be based on the payment option selected by each MMCAP Participating Facility and the total monthly purchasing volume of the MMCAP Member State.

Service Fee Discount Pricing Matrix						
	State Monthly Purchase Volume					
Facility Payment Terms	$1 to $750,000	$750,001 to $1,500,000	$1.500,001 to $3,000,000	$3,000,001 to $7,500,000	$7,500,001 to $10,000,000	$10,000,001 and above
30 Day Pre-Pay	-2.54%	-2.82%	-3.26%	-3.42%	-3.60%	-3.84%
15 Day Pre-Pay	-2.30%	-2.58%	-3.02%	-3.18%	-3.36%	-3.60%
7 Day Pre-Pay	-2.17%	-2.45%	-2.89%	-3.05%	-3.23%	-3.47%
Next Day Pay	-2.04%	-2.32%	-2.76%	-2.92%	-3.10%	-3.34%
7 Day Net	-1.95%	-2.23%	-2.67%	-2.83%	-3.01%	-3.25%
15 Day Net	-1.82%	-2.10%	-2.54%	-2.70%	-2.88%	-3.12%
30 Day Net	-1.58%	-1.86%	-2.30%	-2.46%	-2.64%	-2.88%
45 Day Net	-1.18%	-1.46%	-1.90%	-2.06%	-2.24%	-2.48%
60 Day Net	-.77%	-1.05%	-1.49%	-1.65%	-1.83%	-2.07%
90 Day Net	.04%	-.44%	-.68%	-.84%	-1.02%	-1.26%

The following payment term options shall be available to each MMCAP Participating Facility:

30 Day Pre-pay: A one time deposit equal to 30 days purchase value is due by the 25th of the previous month. Thereafter, payment is due on or before seven calendar days from the date of invoice.

15 Day Pre-pay: A one time deposit equal to 15 days purchase value is due by the 25th of the previous month. Thereafter, payment is due on or before seven days from the date of invoice.

7 Day Pre-pay: A one time deposit equal to 7 days purchase value is due by the 25th of the previous month. Thereafter, payment is due on or before seven days from the date of invoice.

Next Day Net: Next Day Net means that the buyer will pay Vendor in full on or before the next calendar day of when the invoice is received by the Vendor.

Seven (7) Day Net: 7 Day Net means that buyer will pay Vendor in full on or before the 7th calendar day of when the invoice is received by the Vendor.

Fifteen (15) Day Net: 15 Day Net means that buyer will pay Vendor in full on or before the 15th calendar day of when the invoice is received by the Vendor.

Thirty (30) Day Net: 30 Day Net means that buyer will pay Vendor in full on or before the 30th calendar day of when the invoice is received by the Vendor.

Forty-Five (45) Day Net: 45 Day Net means that buyer will pay Vendor in full on or before the 45th calendar day of when the invoice is received by the Vendor.

Sixty Day (60) Day Net: 60 Day Net means that buyer will pay Vendor in full on or before the 60th calendar day of when the invoice is received by the Vendor.

Ninety Day (90) Day Net: 90 Day Net means that buyer will pay Vendor in full on or before the 90th calendar day of when the invoice is received by the Vendor.

If any of the above-specified Payment Term due dates fall on a weekend day or local, state, or federal holiday, payment shall be due on the on the preceding business day.

Each MMCAP Participating Facility may select one of the payment term options indicated above by indicating its selection to Vendor. At any time during the term of this Agreement, an MMCAP Participating Facility may change its manner of paying Vendor upon thirty (30) days' prior written notice to Vendor.

Vendor will accept Electronic Funds Transfer (EFT) for payment, but does not offer any additional discounts for paying by EFT.

Vendor will apply service fee discounts to all emergency deliveries.

Vendor shall apply service fee discounts to all MMCAP Contract Products. Service fee discounts will be applied to MMCAP Contract Products that also meet the definition of Bulky Products. Service fee discounts will be applied to Non-Contract Products, (including Vendor's Generic Drug Program Products), with the exception of Non-Contract Products that also meet the definition of Bulky Products. Service fee discounts will not be applied to Non-Contract Bulky Products.

Service fee discounts will be applied to MMCAP Contract Drop Shipments. Service fee discounts will be applied to Non-Contract Products that must be drop shipped due to a Vendor-created Stock Outage (excluding cases where the manufacturer is unable to supply the MMCAP Contract Product). Service fee discounts will be applied to Non-Contract Drop Shipment Products that do not meet the definition of Bulky Products.

Service fee discounts are based on the previous quarters' payment performance and sales volume for each MMCAP Member. Vendor will be allowed to change MMCAP Participating Facilities' service fee discounts four times annually within 30 calendar days after the close of each fiscal quarter (e.g., service fee discounts for January through March must be changed by April 30). If Vendor does not make changes to the service fee discounts within 30 calendar days, Vendor will be required to make the changes that positively impact MMCAP Participating Facilities and backdate those changes to the first day of the quarter, but will not be allowed to make changes to those accounts that are negatively impacted until the next fiscal quarter.

Vendor will provide the MMCAP Office a draft of the proposed service fee discount changes for all MMCAP Participating Facilities five (5) business days prior to the date the changes will take effect. If the MMCAP Office identifies any errors in the proposed service fee discounts, Vendor will review, modify (if necessary), and resend a draft of the proposed changes.

Attachment D – Current Vendors
MMCAP Vendors September 2009

ABBOTT LABS PPD
ABBOTT LABS, DIAGNOSTICS
ABBOTT NUTRITION
ACTAVIS
AKORN, INC.
ALAVEN PHARMACEUTICAL LLC
ALKERMES
AMERICAN HEALTH PACKAGING
AMERICAN REGENT INC
AMGEN USA
AMNEAL PHARMACEUTICALS
AMPHASTAR - IMS
APOTEX CORP.
APOTHECUS PHARMACEUTICAL
APP PHARMACEUTICALS LLC
APPLIED NUTRITION
ASTRAZENECA PHARMACEUTICALS
AUROBINDO PHARMA USA
AXCAN PHARMA US, INC.
AZUR PHARMA, INC.
B. BRAUN MEDICAL
BAXTER GLOBAL ANESTHESIA & CRITICAL CARE
BAXTER GLOBAL PHARMACEUTICAL
INJECTABLES
BAXTER HEALTHCARE
BEDFORD LABS
BERNA PRODUCTS CORP
BEUTLICH, LP
BIRCHWOOD LABS
BLU PHARMACEUTICALS, LLC
BOEHRINGER INGELHEIM
BRAINTREE LABORATORIES
BRECKENRIDGE PHARMACEUTICAL
BRISTOL-MYERS SQUIBB
CAMBER PHARMACEUTICALS, INC.
CARACO PHARMACEUTICAL LABS
CAROLINA MEDICAL PRODUCTS
CB FLEET & CO
CETYLITE INDUSTRIES
COMBE, INC.
CORNERSTONE THERAPEUTICS
CYPRESS PHARMACEUTICALS, INC.
DAVA PHARMACEUTICALS
DERMARITE INDUSTRIES LLC
DEY LABORATORIES
DR REDDY'S LABORATORIES
EBEWE PARENTA
EISAI, INC.
ELI LILLY & CO
FALCON PHARMACEUTICALS
FERNDALE LABS
FOREST PHARMACEUTICALS
FOUGERA & CO
G & W LABS
GERITREX CORP
GLADES PHARMACEUTICALS
GLENMARK PHARMACEUTICALS
GRACEWAY PHARMACEUTICALS
GREENSTONE LIMITED
GSK (GLAXOSMITHKLINE)
HERITAGE PHARMACEUTICALS INC.
HI-TECH PHARMACAL
HOME DIAGNOSTICS, INC.
HOSPIRA
JHP PHARMACEUTICALS
JOHNSON & JOHNSON HCS
KERR GROUP, INC.
KONSYL PHARMACEUTICALS
KVK-TECH, INC.
LANNETT COMPANY
MAJOR PHARMACEUTICALS
MALLINCKRODT INC.
MCKESSON PACKAGING SERVICES (SKY)
MEAD JOHNSON NUTRITIONAL GP
MEDA PHARMACEUTICALS INC
MEDIQUE PRODUCTS
MERCK & CO
MERCK VACCINE DIVISION
MONARCH PHARMACEUTICALS
MERCK-SCHERING-PLOUGH (MSP)
DISTRIBUTION SERVICES
MYLAN PHARMACEUTICALS
NEPHRON PHARMACEUTICALS
NESTLE HEALTHCARE NUTRITION INC
NESTLE NUTRITION
NEXUS PHARMACEUTICALS
NOVARTIS CONSUMER HEALTH
NOVARTIS PHARMACEUTICALS
NOVARTIS VACCINES AND DIAGNOSTICS, INC.
NOVO NORDISK
PADDOCK LABS
PAR PHARMACEUTICALS
PATRIN PHARMA, INC.
PERRIGO PHARMACEUTICALS

PFIZER U.S.
PHARMACEUTICAL ASSOCIATES, INC
PHARMADERM
PHARMAFORCE INC.
PLUS PHARMA, INC.
PRASCO LABORATORIES
PRECISION DOSE
PROCTER & GAMBLE
PURDUE PHARMA LP
QUALITEST PHARMACEUTICALS, INC
RANBAXY LABORATORIES INC.
RANBAXY PHARMACEUTICALS INC
RICHMOND
RISING PHARMACEUTICALS, INC.
ROCHE DIAGNOSTICS
ROCHE LABS
ROXANE LABS INC
SAGENT PHARMACEUTICALS, INC.
SANDOZ SERVICES
SANOFI AVENTIS
SANOFI PASTEUR
SANTARUS
SAVAGE LABS
SCHERING CORP
SEPRACOR, INC
SILARX PHARMACEUTICALS
SOLVAY PHARMACEUTICALS
TAKEDA PHARMACEUTICALS
TALECRIS BIOTHERAPEUTICS
TAP PHARMACEUTICALS
TARO PHARMACEUTICALS
TEVA PHARMACEUTICALS
TEVA NEUROSCIENCE
TEVA/IVAX DERMATOLOGY
TORRENT PHARMA INC
UCB PHARMA
UDL LABORATORIES
ULMER PHARMACAL
UNITED RESEARCH LABORATORIES
UPSHER SMITH LABS
VERSAPHARM
VISTAPHARM
WATSON PHARMA
WEST-WARD PHARMACEUTICAL
WOCKHARDT USA
WYETH PHARMACEUTICALS
X-GEN PHARMACEUTICALS

Amendment 1 for MMS10001 contains state-specific procurement fee language for Florida and will not be posted.

Amendment 2 for MMS10001 contains state-specific procurement fee language for New York and will not be posted.

Amendment 3 for MMS10001 contains state-specific procurement fee language for Idaho, Georgia and South Carolina and will not be posted.

AMENDMENT NO. 4 TO MMCAP CONTRACT NO. MMS10001

THIS AMENDMENT is by and between the State of Minnesota, acting through its commissioner of Administration ("State") on behalf of the Minnesota Multistate Contracting Alliance for Pharmacy ("MMCAP") and Cardinal Health 110, Inc. and Cardinal Health 411, Inc., located at 7000 Cardinal Place, Dublin, OH 43017 ("Vendor").

MMCAP has a contract with the Vendor identified as Contract No. MMS10001 (Original Contract). MMCAP and the Vendor are willing to amend the Original Contract as stated below.

Contract Amendment

(LM)

The modifications noted on Attachment A, which is attached and incorporated, will become effective the date MMCAP obtains all required signatures under Minnesota Statutes Section16C.05, subdivision 2, whichever is later. Attachment A of the Original Contract is updated as noted in Modification 9. Attachment D of the original contract is deleted in its entirety and replaced with the updated Attachment D.

Except as herein amended, the provisions of the Original Contract between the parties hereto are expressly reaffirmed and remain in full force and effect.

1. CARDINAL HEALTH 110, INC. and CARDINAL HEALTH 411, INC.

The Vendor certifies that the appropriate person(s) have executed this Agreement on behalf of the Vendor as required by applicable articles, bylaws, resolutions, or ordinances.

By: Kate Jurko

Title: VP, Government Account

Date: April 14, 2011

By: [illegible]

Title: Dir. State Govt

Date: 4-14-11

2. STATE OF MINNESOTA FOR MMCAP

In accordance with Minn. Stat. ' 16C.03, Subd. 3

By: Jennifer A. VanderPlatts

Title: SPA - P

Date: 4/18/2011

3. COMMISSIONER OF ADMINISTRATION

In accordance with Minn. Stat. ' 16C.05, Subd. 2

By: Dai Hoang, PharmD, MBA

Title: Pharmacist

Date: April 18, 2011

In this amendment, strikeouts are intended to infer a deletion of text while underline is inclusion of text.

Modification #1

Article 5.3 is deleted in its entirety.

Modification #2

Article 5.4 is amended to read:

5.4 ***Federal funds.*** Payments under this contract by MMCAP Participating Facilities may be made from federal funds. The Vendor is responsible for compliance with all federal requirements imposed on these funds and accepts full financial responsibility for any requirements imposed by the Vendor's failure to comply with federal requirements.

Modification #3

Article 10 is amended to read:

10 Liability

The Vendor must indemnify, save, and hold MMCAP, MMCAP Members, MMCAP Participating Facilities, and the State of Minnesota, its agents, and employees harmless from any claims or causes of action, including reasonable attorney's fees incurred by the indemnified party, arising from the performance of this contract by the Vendor or the Vendor's agents or employees. This clause will not be construed to bar any legal remedies the Vendor may have for MMCAP's failure to fulfill its obligations under this contract.

VENDOR DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY, NON-INFRINGEMENT OR FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT WILL VENDOR BE LIABLE TO THE STATE, MMCAP, ANY MMCAP MEMBER OR ANY MMCAP PARTICIPATING FACILITY FOR ANY INCIDENTAL, CONSEQUENTIAL OR SPECIAL CLAIMS, SPECIAL LIABILITIES OR SPECIAL DAMAGES.

Modification #4

Article 14, Sections 14.B.2. and 14.B.3., are modified to add:

MMCAP, MMCAP Member States and MMCAP Participating Members as additional insureds, subject to the provisions of Sections 14.B.2. and 14.B.3., and provided the MMCAP Member States and MMCAP Participating Facilities are obtaining services from Vendor pursuant to the Contract.

Modification #5

Article 36 is amended to read:

36 State Terms and Participation.

36.1 MMCAP intends to use this Contract to meet the needs of its MMCAP Members and MMCAP Participating Facilities for goods and services purchased under the authority of the commissioner of Administration. From time to time an MMCAP Member or MMCAP Participating Facility may request that the PPV prepare a "Participating Addendum" (also called "Piggyback Agreement") to amend this Contract to provide for laws specific to a state or local jurisdiction. If these circumstances exist, the PPV and MMCAP Member must work with the MMCAP ~~Member or MMCAP Participating Facility~~ to prepare a amendment to this Contract ~~Participating Addendum~~ to set forth the additional or altered terms and conditions. The amendment ~~A Participating Addendum~~ must clearly apply only to the requesting location and will not affect the rights of the other MMCAP Members or MMCAP Participating Facilities. ~~When the specific terms are agreeable to the PPV and the MMCAP Member or MMCAP Participating Facility, the amendment will be presented to MMCAP to be included as an amendment to this contract.~~ No verbal or written instructions from MMCAP Members, MMCAP Participating Facilities, or any of their staff or officials to change any provision of the resulting contract will be accepted by the Vendor without the prior written approval of the MMCAP. The Vendor will immediately report any such requests to the MMCAP Manager who will issue approval or denial in writing.

36.2 Vendor shall comply with all Local, State, and Federal laws, as applicable to each Member State, in the performance of this contract.

Modification #6

Article 37 is amended to read:

37 Attachments Order of Precedence

37.1 The following Attachments ~~and Exhibits~~ are attached and incorporated into this Agreement. In the event of conflict, the following order of precedence applies, subject to Sections 37.2 through 37.5~~through 37.5~~ below:

1. Contract #MMS10001
2. Attachment A – Statement of Work
3. Attachment B – Discounts and Fees
4. Attachment C – Service Fee Discount Matrix
5. Attachment D – Current Vendors
6. Attachment E – State Specific Language
7. Attachment F – ~~[where applicable]~~ Deleted in its entirety

37.2 For each state requiring state specific language, Attachment E will be amended.

37.3 Should any terms in the Contract or other Attachments conflict with the state-specific terms set forth in Attachment E, the terms set forth in the Contract will take precedence over the terms of the state-specific language, excepting the provisions permitting a separate Service Fee Discount Matrix and any additional reporting requirements.

37.4 MMCAP and the State of Minnesota shall not be bound by non-Minnesota state-specific terms set forth in Attachment E when bringing any enforcement action on behalf of MMCAP or the State of Minnesota, nor shall MMCAP directly bring any action based upon terms set forth in Attachment E.

Modification #7

The following is added as Article 38

38 Representation and Warranty

Vendor represents and warrants that neither it nor any of its affiliates are excluded from participation in any federal health care program, as defined under 42 U.S.C. 1320a-7b(f), for the provision of items or services for which payment may be made under such federal health care programs and has not arranged or contracted with any employee, contractor, vendor, distributor, or agent such that it or its affiliates knows or should know are excluded from participation in any federal health care program, to provide items or services hereunder. Vendor represents and warrants that no final adverse action, as such term is defined under 42 U.S.C. 1320a-7e(g), has occurred or is pending against Vendor or its affiliates or to their knowledge against any employee, contractor, vendor, distributor, or agent engaged to provide items or services under this Contract. If, at any time during the term of this Agreement, Vendor or any employee, contractor, vendor, distributor, or agent is excluded from participation in any federal health care program, Vendor must immediately notify MMCAP of the exclusion, and MMCAP will have the option of immediately terminating this Agreement, in whole or in part as necessary and applicable in the MMCAP's sole discretion.

Modification #8

The following is added as Article 39

39 Third Party Beneficiaries

The parties hereto acknowledge and agree that (a) this Contract is entered into by MMCAP for the express, intended benefit of the MMCAP Participating Members, (b) each of the MMCAP Participating Members shall be and constitute an intended third-party beneficiary of the representations, warranties, covenants and agreements of Vendor contained herein, and (c) each of the MMCAP Participating Members, solely with the prior written consent of MMCAP, shall be entitled to enforce the terms and provisions of this Contract to the same extent as MMCAP.

Modification #9

Attachment A, Article 4.21 is deleted in its entirety and replaced with:

4.21 Purchase Orders and Payment

4.21.1 Purchase Orders.

As a condition for purchasing under this Contract, purchasers must be MMCAP Participating Facilities in good standing with MMCAP. Then, MMCAP Participating Facilities may purchase goods and services by submitting Purchase Orders.

MMCAP Participating Facilities may use their own forms for Purchase Orders. To the extent that the terms of any form differ from the terms of this Contract, the terms of this Contract supersede such conflicting or contrary terms.

4.21.2 Payment of Purchase Orders.

Each MMCAP Participating Facility will be responsible for payment of goods and services provided by Vendor. The MMCAP Office will have no liability for an unpaid invoice of any MMCAP Member or MMCAP Participating Facility. Vendor agrees to invoice the MMCAP Participating Facility for all Products shipped. Vendor will accept Electronic Funds Transfer (EFT) for payment, but is not offering any additional discounts for paying by EFT as set forth in Attachment C, Service Fee Discount Matrix. At time of new account set up, the MMCAP Participating Facility will initiate this process with its bank. Vendor does not accept State Purchasing Cards (P-cards) as a payment method.

Service fee discounts and payment term definitions are listed on Attachment C, Service Fee Discount Matrix.

4.21.3 Verification of Authorized Purchasers.

Upon request of MMCAP, Vendor must verify that it provides goods and services under this Contract only to MMCAP Participating Facilities.

4.21.4 Funds available and authorized/non-appropriation.

Vendor will not be compensated for goods delivered or services performed under a Purchase Order by any entity other than the MMCAP Participating Facility that issued the Purchase Order. By submitting a Purchase Order the MMCAP Participating Facility represents it has sufficient funds currently available and authorized for expenditure to finance the costs of the Purchase Order.

4.21.5 Termination of Individual Purchase Orders.

MMCAP Participating Facilities may terminate individual Purchase Orders, in whole or in part, immediately upon notice to Vendor, or at such later date as the MMCAP Participating Facility may establish in such notice, upon the occurrence of any of the following events:

(i) The MMCAP Participating Facility fails to receive funding, or appropriations, limitations or other expenditure authority at levels sufficient to pay for the goods to be purchased under the Purchase Order;

(ii) Federal or State laws, regulations or guidelines are modified or interpreted in such a way that either the purchase of goods under the Purchase Order is prohibited or the MMCAP Participating Facility is prohibited from paying for such goods from the planned funding source; or

(iii) Vendor commits any material breach of this Contract or a Purchase Order.

Upon receipt of written notice of termination, Vendor shall stop performance under the Purchase Order as directed by the MMCAP Participating Facility.

Termination of a standing Purchase Order does not extinguish or prejudice the MMCAP Participating Facility's right to enforce such Purchase Order with respect to Vendor's breach of any warranty or any defect in or default of Vendor's performance under such Purchase Order that has not been cured, including any right of the MMCAP Participating Facility to indemnification by Vendor or enforcement of a warranty. If a standing Purchase Order is terminated, the MMCAP Participating Facility must pay Vendor in accordance with the terms of this Contract for goods delivered and accepted by the MMCAP Participating Facility.

4.21.6 Jurisdiction and Venue.

Upon completion of the Dispute Resolution process outlined in Article 30 of this Contract, and solely with the prior written consent of MMCAP and the State of Minnesota Attorney General's Office, the MMCAP Participating Facility may bring a claim, action, suit or proceeding against Vendor. The MMCAP Participating Facility's request to MMCAP to bring the claim, action, suit, or proceeding must state the initiating party's desired jurisdiction, venue and governing law.

Upon completion of the Dispute Resolution process outlined in Article 30 of this Contract, the Vendor may bring a claim, action, suit or proceeding against MMCAP Participating Facility, in Vendor's sole discretion.

Attachment D – Current Vendors
MMCAP Vendors March, 2011

ABBOTT LABS PPD
ABBOTT LABS, DIAGNOSTICS
ABBOTT NUTRITION
ACTAVIS
AKORN, INC.
ALAVEN PHARMACEUTICAL LLC
ALKERMES
ALMATICA PHARMA, INC.
ALTERNA LLC
ALVOGEN
AMERICAN HEALTH PACKAGING
AMERICAN REGENT INC
AMGEN USA
AMNEAL PHARMACEUTICALS
AMPHASTAR – IMS
ANSELL HEALTHCARE PRODUCTS LLC.
APOTEX CORP.
APOTHECUS PHARMACEUTICAL
APP PHARMACEUTICALS LLC
APPLIED NUTRITION
ASCEND LABORATORIES, LLC
ASTRAZENECA PHARMACEUTICALS
AUROBINDO PHARMA USA
AXCAN PHARMA US, INC.
AZUR PHARMA, INC.
B. BRAUN MEDICAL
BAXTER GLOBAL ANESTHESIA & CRITICAL CARE
BAXTER GLOBAL PHARMACEUTICAL
INJECTABLES
BAXTER HEALTHCARE
BEDFORD LABS
BERRY PLASTICS CORPORATION
BEUTLICH, LP
BIRCHWOOD LABS
BLU PHARMACEUTICALS, LLC
BOEHRINGER INGELHEIM
BRAINTREE LABORATORIES
BRECKENRIDGE PHARMACEUTICAL
BRISTOL-MYERS SQUIBB
CAMBER PHARMACEUTICALS, INC.
CARACO PHARMACEUTICAL LABS
CAROLINA MEDICAL PRODUCTS
CETYLITE INDUSTRIES
COMBE, INC.
CRUCELL VACCINES INC.
CYPRESS PHARMACEUTICALS, INC.
DAVA PHARMACEUTICALS
DERMARITE INDUSTRIES LLC
DEY LABORATORIES
DR REDDY'S LABORATORIES
EISAI, INC.
ELI LILLY & CO
FALCON PHARMACEUTICALS
FERNDALE LABS
FOREST PHARMACEUTICALS
FOUGERA & CO
G & W LABS
GENENTECH USA, INC.
GERITREX CORP
GLENMARK PHARMACEUTICALS
GRACEWAY PHARMACEUTICALS
GREENSTONE LIMITED
GSK (GLAXOSMITHKLINE)
HERITAGE PHARMACEUTICALS INC.
HI-TECH PHARMACAL.
HOSPIRA
JHP PHARMACEUTICALS
JOHNSON & JOHNSON HCS
KONSYL PHARMACEUTICALS
KVK-TECH, INC.
LANNETT COMPANY
MAJOR PHARMACEUTICALS
MALLINCKRODT INC.
MCKESSON PACKAGING SERVICES (SKY)
MEAD JOHNSON NUTRITIONAL GP
MEDA PHARMACEUTICALS INC
MEDIQUE PRODUCTS
MERCK SHARP & DOHME CORP. (MERCK & CO)
MERCK VACCINE DIVISION
MERIDIAN MEDICAL TECHNOLOGIES
MONARCH PHARMACEUTICALS
MERCK-SCHERING-PLOUGH (MSP)
DISTRIBUTION SERVICES
MYLAN PHARMACEUTICALS
NEPHRON PHARMACEUTICALS
NESTLE HEALTHCARE NUTRITION INC
NESTLE NUTRITION
NEW AMERICAN THERAPEUTICS
NEXUS PHARMACEUTICALS
NIPRO DIAGNOSTICS, INC.
NOSTRUM LABORATORIES INC.
NOVARTIS CONSUMER HEALTH
NOVARTIS PHARMACEUTICALS
NOVARTIS VACCINES AND DIAGNOSTICS, INC.

NOVO NORDISK
ONY, INC.
PACK PHARMACEUTICALS
PADDOCK LABS
PAR PHARMACEUTICALS
PATRIN PHARMA, INC.
PEDINOL PHARMACAL, INC.
PERRIGO PHARMACEUTICALS
PFIZER U.S.
PHARMACEUTICAL ASSOCIATES, INC
PHARMADERM
PLUS PHARMA, INC.
PRASCO LABORATORIES
PRECISION DOSE
PROCTER & GAMBLE
PURDUE PHARMA LP
QUALITEST PHARMACEUTICALS, INC
RANBAXY PHARMACEUTICALS INC
RHODES PHARMACEUTICALS L.P.
RICHMOND
RISING PHARMACEUTICALS, INC.
ROCHE DIAGNOSTICS
ROCHE LABS
ROXANE LABS INC
SAGENT PHARMACEUTICALS, INC.
SANDOZ INC
SANOFI AVENTIS
SANOFI PASTEUR
SANTARUS
SAVAGE LABS
SCHERING CORP
SILARX PHARMACEUTICALS
SSL AMERICAS, INC
STANBIO LABORATORY LP
STRATUS PHARMACEUTICALS
SUNOVION PHARMACEUTICALS, INC.
TAKEDA PHARMACEUTICALS
TALECRIS BIOTHERAPEUTICS
TARO PHARMACEUTICALS
TEVA PHARMACEUTICALS
TEVA SPECIALTY
TORRENT PHARMA INC
UCB PHARMA
UDL LABORATORIES
ULMER PHARMACAL
UNITED RESEARCH LABORATORIES
UPSHER SMITH LABS
VALEANT PHARMACEUTICALS NORTH AMERICA
VALIDUS PHARMACEUTICALS LLC
VERSAPHARM
VISTAPHARM
WARNER CHILCOTT
WATSON PHARMA
WEST-WARD PHARMACEUTICAL
WOCKHARDT USA
WYETH PHARMACEUTICALS
X-GEN PHARMACEUTICALS

Amendment 5 for MMS10001 contains state-specific procurement fee language for Oregon and will not be posted.

Amendment 6 for MMS10001 contains state-specific procurement fee language for Texax Tech and will not be posted.

AMENDMENT NO. 7 TO MMCAP CONTRACT NO. MMS10001

THIS AMENDMENT is by and between the State of Minnesota, acting through its commissioner of Administration ("State") on behalf of the Minnesota Multistate Contracting Alliance for Pharmacy ("MMCAP") and Cardinal Health 110, Inc. and Cardinal Health 411, Inc., 7000 Cardinal Place, Dublin, OH 43017 ("Vendor").

MMCAP has a contract with the Vendor identified as Contract No. MMS10001 (Original Contract). MMCAP and the Vendor are willing to amend the Original Contract as stated below.

Contract Amendment
(HP)

Effective July 1, 2011, Article 23 of the Original Contract is deleted in its entirety and replaced with the following:

23 E-Verify Certification
As required by Minnesota Statutes Section 16C.075, for services valued in excess of $50,000, Vendor certifies that as of the date of services performed on behalf of the State of Minnesota and MMCAP, Vendor and all its subcontractors will have implemented or be in the process of implementing the federal E-Verify program for all newly hired employees in the United States who will perform work on behalf of the State. Vendor is responsible for collecting all subcontractor certifications and may do so utilizing the E-Verify Subcontractor Certification Form available at http://www.mmd.admin.state.mn.us/doc/EverifySubCertForm.doc. All subcontractor certifications must be kept on file with Vendor and made available to the State of Minnesota or MMCAP upon request.

Except as herein amended, the provisions of the Original Contract between the parties hereto are expressly reaffirmed and remain in full force and effect.

1. CARDINAL HEALTH 110, INC. and CARDINAL HEALTH 411, INC.
The Vendor certifies that the appropriate person(s) have executed this Agreement on behalf of the Vendor as required by applicable articles, bylaws, resolutions, or ordinances.

By: Kate Spinko
Title: VP, Government Accounts
Date: August 10, 2011

By: [signature]
Title: Dir. State Government
Date: 8-10-11

2. STATE OF MINNESOTA FOR MMCAP
In accordance with Minn. Stat. ' 16C.03, Subd. 3 .

By: Sandra Christensen
Title: Pharmacy Analyst
Date: 08-19-2011

3. COMMISSIONER OF ADMINISTRATION
In accordance with Minn. Stat. ' 16C.05, Subd. 2

By: Sara Turnbow, PharmD, BCPS
Title: Pharmacist Sr.
Date: 8-24-11

AMENDMENT NO. 8 TO MMCAP CONTRACT NO. MMS10001

THIS AMENDMENT is by and between the State of Minnesota, acting through its commissioner of Administration ("State") on behalf of the Minnesota Multistate Contracting Alliance for Pharmacy ("MMCAP") and Cardinal Health 110, Inc. and Cardinal Health 411, Inc., 7000 Cardinal Place, Dublin, OH 43017 ("Vendor").

MMCAP has a contract with the Vendor identified as Contract No. MMS10001 (Original Contract). MMCAP and the Vendor are willing to amend the Original Contract as stated below.

Contract Amendment

(LM)

Effective when signed the following modifications will be made:

Modification #1
Article 1.2 of the Original Contract is amended to read:

1.2 Expiration date: October 31, 2013, or until all obligations have been satisfactorily fulfilled, whichever occurs first. The Contract may be extended for one (1) additional one (1)-year period based on written acceptance of both parties.

Modification #2
Article 4.3, Sections 4.3.B.3 of Attachment A, is modified to add:
Vendor will make its best efforts to notify MMCAP at least three (3) business days in advance of any meeting between the Vendor, any MMCAP Member State or Participating Facility, or any potential MMCAP Member State or Participating Facility when the meeting topics will address issues beyond standard operational issues including, but not limited to requests for proposals, legislative activities concerning any products or services covered by this Contract, or expansion of Cardinal's presence in that organization or state. If MMCAP is not an attendee at the meeting, Vendor agrees to provide a detailed account of the meeting to MMCAP no later than five (5) business days after the meeting. It is understood that MMCAP member facilities may bring up discussions noted in this section without prior notice to Cardinal Health.

Modification #3
Article 4.5, Sections 4.5.C.11 of Attachment A, is modified to add:
Vendor shall notify MMCAP at least ten (10) business days in advance of any changes to the list of possible inventory stocking codes viewable on cardinal.com. A complete list of all possible stocking codes and thorough descriptions of each code will be provided. MMCAP staff and Participating Facilities must be informed of any potential changes to demand shift logic and stocking request procedures.

Modification #4
Article 4.15, Sections 4.15.A.13 of Attachment A, is modified to add:
Vendor will not use MMCAP pricing or manufacturer contract terms in Vendor's generic pricing program or for any other use beyond managing the MMCAP contract for Participating Facilities. Vendor shall maintain appropriate policies, procedures and information technology and infrastructure to ensure that only those employees of Vendor that have a need to know for performance under this Contract have access to MMCAP Vendor Contracts, Product lists, discounts, prices and any other information that would qualify as competitive information in connection with the Contracts.

Modification #5
Article 4.20 is amended to add, and the reference to Article 4.20 in Attachment B on page 6 is deleted in its entirety, and replaced with the following:
In consideration for services provided by MMCAP, Vendor will pay an administrative fee of 0.32% on all MMCAP Participating Facility purchases (less any credits and returns) made through Vendor. Administrative fees will not be paid on, 340b, PHS, or ADAP sales or Prime Vendor DSH sales. The administrative fee must be paid as soon as is reasonable after the end of each month, but no later than 30 calendar days after the end of the month. Vendor will not pay member state specific administrative or procurement fees that are not considered "pass through". "Pass Through" fees are included in state specific terms and conditions requiring Cardinal Health to increase Service Fees and then passing them through in the form of a check to the designated State entity.

AMENDMENT NO. 8 TO MMCAP CONTRACT NO. MMS10001

Modification #6
Exhibit C is modified to add:
Individual MMCAP Members Contracting. Nothing contained in this Agreement shall prohibit Vendor from offering an enhanced service fee matrix beyond that covered by this Agreement to current or potential MMCAP Members when regional or market opportunities present themselves; the service fee matrix found in this Exhibit C will be used as the base offer. The Vendor will communicate to the MMCAP Office in advance of all offers.

Modification #7
Article 4.8, Sections 4.8.A.1 of Attachment A is modified to delete:

Average Wholesale Cost, Wholesale Acquisition, UPN (Universal Product Number)

Modification #8
Article 4.5.B.6 of Attachment A is modified to delete:

For products marked as non-stock, Vendor must submit a monthly report on how equivalent generic purchasing is impacting non movement.

Modification #9
Article 7 of the Original Contract is deleted in its entirety and replaced with the following:
MMCAP's Authorized Representative is Laura Muetzel, MMCAP Pharmacy Prime Vendor (PPV) Coordinator, or his/her successor, and has the responsibility to monitor the Vendor's performance and the authority to accept the services provided to MMCAP under this contract. Vendor acknowledges that PPV Coordinator is the primary contact for all Contract activities and strategic planning.

The Vendor's Authorized Representative is Kate Spirko, Vice President – Government Accounts, 7000 Cardinal Place, Dublin, OH 43017, (614) 757-7782, or his/her successor. If the Vendor's Authorized Representative changes at any time during this contract, the Vendor must immediately notify MMCAP.

Modification #10
Article 8 of the Original Contract is amended to read:

MMCAP Pharmacy Prime Vendor Coordinator
50 Sherburne Avenue, Suite112
St. Paul, MN 55155
Fax: 651.297.3996

Modification #11
Article 4.16 of Attachment A is modified to add:
Vendor will provide the reports listed herein for all MMCAP Participating Facilities regardless of a primary GPO affiliation other than MMCAP. Reports will not include pricing or other contract details for GPO purchases not associated with MMCAP. Vendor agrees that any similar reports provided to other GPOs for shared Participating Facilities will not include MMCAP pricing or contract details.

Modification #12
Article 4.11 B of Attachment A is modified to read:

Vendor agrees to report contract compliance using MMCAP Office's preferred calculations when requested by MMCAP Participating Facilities, the MMCAP Office or any other entities designated by the MMCAP Office.

Modification #13
Article 4.19 Sections 4.19.3 and 4.19.4 of Attachment A are deleted in entirety and replaced with the following:

3. Within 30 business days of the receipt of the funds and the list of facilities receiving credit, Vendor must provide to the MMCAP Office an Excel Spreadsheet detailing the credit memo information. This Excel listing must include the following fields: distribution center, account number, facility name, facility address, facility city, facility state,

DEA, HIN, date of credit memo, credit memo number, and credit memo amount. In addition to supplying the credit memo detail to the MMCAP Office, Cardinal Health will also provide a listing of all accounts that are inactive that cannot have a credit memo issued.

4. Within 60 days of the date credits were applied and the inactive accounts are communicated as stated in the above process (#3), the MMCAP office must provide W-9 documents to Cardinal Health for any facilities found on the "Inactive Account" listing provided that expect to receive their credits in the form of a check. All other outstanding credits will be refunded to the MMCAP Office in the form of a check at the end of the 60 day waiting period.

Modification #14
Article 4.3 Sections 4.3.A.2 of Attachment A is deleted in its entirety.

Modification #15
Article 4.3 Sections 4.3.A.3 of Attachment A is deleted in its entirety and replaced with the following Additional Functional Contacts include the following contacts. The appropriate contacts will have inquiries directed to them when submitted to Cardinal Health via the Sharepoint site provided to the MMCAP Office:

a. Inventory Management related issues. Stocking requests. Holly Kartscher, holly.kartscher@cardinalhealth.com 614-757-4622
b. Contract pricing and membership discrepancies, Pricing & Research, PricingResearch@cardinalhealth.com
c. Vendor Service Fees, Anita Anderson, anita.anderson01@cardinalhealth.com, 614-657-4158
d. PPV Agreement Questions, Anita Anderson, anita.anderson01@cardinalhealth.com, 614-657-4158

Modification #16
Article 4.3 Sections 4.3.A.4 of Attachment A is deleted in its entirety and replaced with the following:

In the event the MMCAP Office determines the Primary Account Representative is non-responsive, the MMCAP Offices will escalate to Kate Spirko, VP Government Accounts, Kate.Spirko@cardinalhealth.com, 614-757-4671.

Modification #17
Article 4.5, Sections 4.5.C.8 of Attachment A, is modified to add:
In the event MMCAP chooses to processes Failure to Supply claims on behalf of the MMCAP Participating Facilities, Vendor will receive 30 days' advanced written notice. Vendor agrees to accept electronic claims from MMCAP, and/or the MMCAP Participating Facility. Electronic claims will identify the specific contract Products for which alternative products were purchased and the amount of reimbursement claimed on behalf of each MMCAP Participating Facility for the additional cost incurred in purchasing the alternative products. Reimbursement amounts will be calculated by subtracting the MMCAP Product invoice amount from the purchase invoice amount, excluding all other fees. Vendor must pay such claims in the form of a credit within 30 days of receipt of a claim as described above. If Vendor does not pay such claim within such thirty (30) day period, MMCAP will have the right to charge, and Vendor agrees to pay, a late fee equal to the statutory maximum allowable percentage per month of the amount of any unpaid claim.

Modification #18
Article 4.3 Section 4.3.A.6.c is modified to add:
Vendor and MMCAP agree to conduct a complete contract review no later than November 1, 2012 to determine areas of non-compliance from both parties.

Modification #19
Article 4.5 Section 4.5.B.2 of Attachment A is modified to change the first sentence as follows:

The MMCAP office must be notified no later than (5) business days if any of the MMCAP contracted manufacturers contracts are terminated or expire via a Weekly Contract Changes report found in section 4.16 D.

Modification #20
Article 4.11 Section 4.11.A bullet 2 of Attachment A is deleted in its entirety and replaced with the following:

Vendor account number

AMENDMENT NO. 8 TO MMCAP CONTRACT NO. MMS10001

Except as herein amended, the provisions of the Original Contract between the parties hereto are expressly reaffirmed and remain in full force and effect.

1. CARDINAL HEALTH 110, INC. AND CARDINAL HEALTH 411, INC.

The Vendor certifies that the appropriate person(s) have executed this Agreement on behalf of the Vendor as required by applicable articles, bylaws, resolutions, or ordinances.

By: Kat Spirko

Title: Vice President, Government Accounts

Date: October 26, 2011

By: James Scott

Title: SVP, National Markets

Date: 10/26/2011

2. STATE OF MINNESOTA FOR MMCAP

In accordance with Minn. Stat. ' 16C.03, Subd. 3

By: Sara Turnbow, PharmD, BCPS

Title: Pharmacist Sr.

Date: 10-26-11

3. COMMISSIONER OF ADMINISTRATION

In accordance with Minn. Stat. ' 16C.05, Subd. 2

By: Dan Hoang, PharmD, MBA

Title: Pharmacist Senior

Date: October 26, 2011

Amendment 9 for MMS10001 contains state-specific language for Florida and will not be posted.

Cardinal Health 110, Inc. and Cardinal Health 411, Inc.
MMS10001
Amendments 10 - 14 are not posted for viewing

AMENDMENT NO. 15 TO MMCAP CONTRACT NO. MMS10001

THIS AMENDMENT is by and between the State of Minnesota, acting through its commissioner of Administration ("State") on behalf of the Minnesota Multistate Contracting Alliance for Pharmacy ("MMCAP") and Cardinal Health 110, Inc. and Cardinal Health 411, Inc., 7000 Cardinal Place, Dublin, OH 43017 ("Vendor").

MMCAP has a contract with the Vendor identified as Contract No. MMS10001 (Original Contract). MMCAP and the Vendor are willing to amend the Original Contract as stated below.

Contract Amendment
(ST)

Article 1.2 of the Original Contract is amended to read:

1.2 Expiration date: October 31, 2014, or until all obligations have been satisfactorily fulfilled, whichever occurs first.

Except as herein amended, the provisions of the Original Contract between the parties hereto are expressly reaffirmed and remain in full force and effect.

1. CARDINAL HEALTH 110, INC. AND CARDINAL HEALTH 411, INC.

The Vendor certifies that the appropriate person(s) have executed this Agreement on behalf of the Vendor as required by applicable articles, bylaws, resolutions, or ordinances.

By: Kate Spicko

Title: Vice President, Government Accounts

Date: June 19, 2013

By: James J Scott

Title: Senior Vice President, National Markets

Date: June 19, 2013

2. STATE OF MINNESOTA FOR MMCAP

In accordance with Minn. Stat. § 16C.03, Subd. 3

By: Sandra Christenson

Title: Pharmacy Analyst

Date: 6-26-13

3. COMMISSIONER OF ADMINISTRATION

In accordance with Minn. Stat. § 16C.05, Subd. 2

By: Sara Turnbaw, PharmD, BCPS

Title: Pharmacist Sr.

Date: 6-26-13

Cardinal Health 110, Inc. and Cardinal Health 411, Inc.
MMS10001
Amendment 16
is not posted for viewing

AMENDMENT NO. 17 TO MMCAP CONTRACT NO. MMS10001

THIS AMENDMENT is by and between the State of Minnesota, acting through its commissioner of Administration ("State") on behalf of the Minnesota Multistate Contracting Alliance for Pharmacy ("MMCAP") and Cardinal Health 110, Inc. and Cardinal Health 411, Inc., 7000 Cardinal Place, Dublin, OH 43017 ("Vendor").

MMCAP has a contract with the Vendor identified as Contract No. MMS10001 (Original Contract). MMCAP and the Vendor are willing to amend the Original Contract as stated below.

Contract Amendment
(HP)

Effective July 1, 2013, Attachment C (Service Fee Discount Matrix) of the Original Contract, MMS10001 is amended to add the following:
<u>Revision 1</u>: Payment Term Option
<u>Pre-paid Draw:</u>

DSO Goal	Base Draw Due	Cover Spend Month	Terms Description
-23	May 22nd	June	30 Day Pre-pay
-8	Jun 7th	June	15 Day Pre-pay
0	Jun 15th	June	7 Day Pre-pay

SAMPLE GRID

-23 DSO (Draw). Not later than the 22nd day (or the last business day prior to the 22nd day, if the 22nd day falls on a Saturday, Sunday or holiday) of the month preceding the first calendar month in which the MMCAP Participating Facility begins purchasing Merchandise from Vendor and continuing on the 22nd day (or the last business day prior to the 22nd day, if the 22nd day falls on a Saturday, Sunday or holiday) of each month thereafter, the MMCAP Participating Facility must make a prepayment to Vendor for Merchandise to be purchased during the following month in an amount equal to the good faith estimate of the MMCAP Participating Facility's purchases of Merchandise during such following month, which estimate will not be less than the greater of (i) the MMCAP Participating Facility 's average aggregate monthly purchases of Merchandise for the three (3) months preceding the month the payment is due or (ii) the MMCAP Participating Facility 's aggregate monthly purchases of Merchandise during the month immediately preceding the month the payment is due. Purchases of Merchandise during each month will be charged against the prepayment made for that month. On the first business day of each month, Vendor will reconcile the MMCAP Participating Facility 's total Merchandise purchases during the preceding month against the MMCAP Participating Facility's prepayment made for that month and: (a) if the MMCAP Participating Facility 's prepayment exceeded the MMCAP Participating Facility 's total Merchandise purchases during that month, then Vendor will notify the MMCAP Participating Facility of the amount of such excess no later than the fifth (5th) business day of the following month, and such amount will be applied against the MMCAP Participating Facility 's next prepayment due under this section; and (b) if the MMCAP Participating Facility 's total Merchandise purchases exceeded the MMCAP Participating Facility's prepayment, then Vendor will promptly notify the MMCAP Participating Facility 's of the amount of such excess, and the MMCAP Participating Facility 's must pay Vendor such amount not later than the tenth (10th) business day following receipt of such notice.

-8 DSO (Draw). Not later than the 7th day (or the last business day prior to the 7th day, if the 7th day falls on a Saturday, Sunday or holiday) of the first calendar month in which the MMCAP Participating

Facility begins purchasing Merchandise from Vendor and continuing on the 7th day (or the last business day prior to the 7th day, if the 7th day falls on a Saturday, Sunday or holiday) of each month thereafter, the MMCAP Participating Facility must make a prepayment to Vendor for Merchandise to be purchased during the present month in an amount equal to the good faith estimate of the MMCAP Participating Facility's purchases of Merchandise during such-month, which estimate will not be less than the greater of (i) the MMCAP Participating Facility 's average aggregate monthly purchases of Merchandise for the three (3) months preceding the month the payment is due or (ii) the MMCAP Participating Facility 's aggregate monthly purchases of Merchandise during the month immediately preceding the month the payment is due. Purchases of Merchandise during each month will be charged against the prepayment made for that month. On the first business day of each month, Vendor will reconcile the MMCAP Participating Facility's total Merchandise purchases during the preceding month against the MMCAP Participating Facility 's prepayment made for that month and: (a) if the MMCAP Participating Facility 's prepayment exceeded the MMCAP Participating Facility 's total Merchandise purchases during that month, then Vendor will notify the MMCAP Participating Facility of the amount of such excess no later than the fifth (5th) business day of the following month, and such amount will be applied against the MMCAP Participating Facility 's next prepayment due under this section; and (b) if the MMCAP Participating Facility's total Merchandise purchases exceeded the MMCAP Participating Facility's prepayment, then Vendor will promptly notify the MMCAP Participating Facility of the amount of such excess, and the MMCAP Participating Facility 's must pay Vendor such amount not later than the tenth (10th) business day following receipt of such notice.

0 DSO (Draw). Not later than the 15th day (or the last business day prior to the 15th day, if the 15th day falls on a Saturday, Sunday or holiday) of the first calendar month in which the MMCAP Participating Facility begins purchasing Merchandise from Vendor and continuing on the 15th day (or the last business day prior to the 15th day, if the 15th day falls on a Saturday, Sunday or holiday) of each month thereafter, the MMCAP Participating Facility must make a prepayment to Vendor for Merchandise to be purchased during the present month in an amount equal to the good faith estimate of the MMCAP Participating Facility's purchases of Merchandise during such-month, which estimate will not be less than the greater of (i) the MMCAP Participating Facility's average aggregate monthly purchases of Merchandise for the three (3) months preceding the month the payment is due or (ii) the MMCAP Participating Facility's aggregate monthly purchases of Merchandise during the month immediately preceding the month the payment is due. Purchases of Merchandise during each month will be charged against the prepayment made for that month. On the first business day of each month, Vendor will reconcile the MMCAP Participating Facility's total Merchandise purchases during the preceding month against the MMCAP Participating Facility's prepayment made for that month and: (a) if the MMCAP Participating Facility's prepayment exceeded the MMCAP Participating Facility's total Merchandise purchases during that month, then Vendor will notify the MMCAP Participating Facility of the amount of such excess no later than the fifth (5th) business day of the following month, and such amount will be applied against the MMCAP Participating Facility's next prepayment due under this section; and (b) if the MMCAP Participating Facility's total Merchandise purchases exceeded the MMCAP Participating Facility's prepayment, then Vendor will promptly notify the MMCAP Participating Facility of the amount of such excess, and the MMCAP Participating Facility must pay Vendor such amount not later than the tenth (10th) business day following receipt of such notice.

(Balance of Page Intentionally Left Blank)

AMENDMENT NO. 17 TO MMCAP CONTRACT NO. MMS10001

Revision 2: State Pricing Matrix
A. The row under "Payment Terms entitled "30 Day Pre-Pay" is modified to read "30 Day Pre-Pay and -23 DSO (Draw)."
B. The row under "Payment Terms entitled "15 Day Pre-Pay" is modified to read "30 Day Pre-Pay and -8 DSO (Draw)."
C. The row under "Payment Terms entitled "7 Day Pre-Pay" is modified to read "30 Day Pre-Pay and 0 DSO (Draw)."

Except as herein amended, the provisions of the Original Contract between the parties hereto are expressly reaffirmed and remain in full force and effect.

1. CARDINAL HEALTH 110, INC. AND CARDINAL HEALTH 411, INC.

The Vendor certifies that the appropriate person(s) have executed this Agreement on behalf of the Vendor as required by applicable articles, bylaws, resolutions, or ordinances.

By: Todd Hudnall

Title: Director of Sales, State Government

Date: 7/2/13

By: _____

Title: _____

Date: _____

2. STATE OF MINNESOTA FOR MMCAP

In accordance with Minn. Stat. ' 16C.03, Subd. 3

By: Sara Turnbow, PharmD, BCPS

Title: Pharmacist Sr.

Date: 7-2-13

3. COMMISSIONER OF ADMINISTRATION

In accordance with Minn. Stat. ' 16C.05, Subd. 2

By: Heather Pickett

Title: _____

Date: July 2, 2013

Amendment 18 for MMS10001contains state-specific language for New York and will not be posted for viewing.

AMENDMENT NO. 19 TO MMCAP CONTRACT NO. MMS10001

THIS AMENDMENT is by and between the State of Minnesota, acting through its commissioner of Administration ("State") on behalf of the Minnesota Multistate Contracting Alliance for Pharmacy ("MMCAP") and Cardinal Health 110, LLC and Cardinal Health 411, Inc., 7000 Cardinal Place, Dublin, OH 43017 ("Vendor").

MMCAP has a contract with the Vendor identified as Contract No. MMS10001 (Original Contract). MMCAP and the Vendor are willing to amend the Original Contract as stated below.

Contract Amendment
(ST)

Revision 1: On August 26, 2014, Cardinal notified MMCAP that effective January 1, 2014, Cardinal Health 110, Inc. was reorganized as a limited liability company, Cardinal Health 110, LLC. Therefore the Original Contract is now amended to be between the State of Minnesota, acting through its commissioner of Administration ("State") on behalf of the Minnesota Multistate Contracting Alliance for Pharmacy ("MMCAP") and Cardinal Health 110, LLC and Cardinal Health 411, Inc.

Revision 2: Effective when signed Article 1.2 of the Original Contract is replaced in its entirety by the following:

1.2 Expiration date: February 28, 2015, or until all obligations have been satisfactorily fulfilled, whichever occurs first. This Contract may be extended for an additional period to allow for transition of members from this Contract to a subsequent contract, upon mutual agreement of the parties and the execution of a subsequent amendment.

> 1.2.1 Transition. The obligations set forth herein shall be deemed fulfilled upon the mutual execution of new contract arising from MMCAP's May 8, 2014, request for proposals for Pharmaceutical Wholesaler Distribution Services and the transition of all applicable members for services under a new contract arising therefrom. Upon transition of each MMCAP member under the aforementioned new contract, the obligations thereto under this Contract shall cease.

Except as herein amended, the provisions of the Original Contract between the parties hereto are expressly reaffirmed and remain in full force and effect.

1. CARDINAL HEALTH 110, LLC and CARDINAL HEALTH 411, INC.

The Vendor certifies that the appropriate person(s) have executed this Agreement on behalf of the Vendor as required by applicable articles, bylaws, resolutions, or ordinances.

By: James L. Scott

Title: James L. Scott SVP National Markets

Date: 8/28/14

By: James L. Scott

Title: James L. Scott SVP, National Markets

Date: 8/28/14

2. STATE OF MINNESOTA FOR MMCAP

In accordance with Minn. Stat. § 16C.03, subd. 3

By: Sara Thunbow PharmD BCPS

Title: Pharmacist Sr.

Date: 9-3-14

3. COMMISSIONER OF ADMINISTRATION

In accordance with Minn. Stat. § 16C.05, subd. 2

By: Dan Hoang PharmD MBA

Title: Pharmacist Senior

Date: September 4, 2014