Revision number: 11
Purchasing Agent: David Gill
Phone #: 801-538-3254
Email: d Gill@utah.gov

**Item: Medical, Hospital and Personal Care Items**

Vendor: 92187AC
Cardinal Health
3595 W. Technology Drive
Salt Lake City, UT 84119

Internet Homepage: www.cardinal.com

General, Sales and Usage Report Contact: Jim Hart
Telephone: 208-938-7766
Cell Phone: 208-841-8965
Fax number: 208-938-1713
Email: jim.hart@cardinal.com

Report Type: Line Item

Price: See Section 2.2 “Pricing”
See Section 2.2.6 dollar limit

Terms: Net 30

Effective dates: 7/01/06 – 7/01/11

Renewal options remaining:

Days required for delivery: Usually 1-2 days (See section 4.4 “Distribution”)

Price guarantee period: 60 days

Freight and minimum order: See 2.2.5 and all of 4.4. Effective July 1, 2010 there will be a fuel surcharge of $0.95 per order regardless of the number of deliveries required to fill the order.

Other conditions: See other sections of the Summary Responses

**Revision #11: Increase of fuel charge of $0.05.**

BID NO. GL6041

State agencies will place orders directly with the vendor creating a PRC in Finet. Agencies will return to the vendor any invoice which reflects incorrect pricing.

This is a multiple award contract. Once each year users shall document their reasons for using MA477 or MA2013.
A Summary of Cardinal’s Responses and Commitments

Pricing  2.2
Ordering  3.3
Distribution  4.4
Sales Support  5.5
Returned Goods Policy  4.4.5
Disaster Relief Plan
Emergency Relief Supply Order

Definitions:
“Cardinal” is Cardinal Health
“Novation” is the supply company of VHA & UHC
“GPO” is a Group Purchasing Organization and is similar to a co-op. Novation is a GPO

Section 2.2 – Pricing

The scope of this contract covers medical and hospital supplies, and personal care items. It is not intended to cover major equipment, services, or other items available from Novation and Cardinal. Contact Dave Gill 801-538-3254 with questions about what this contract may include.

2.2.1 Novation (GPO = Group Purchasing Organization) tier levels are determined by each manufacturer based upon the annual volume of their products used by each Novation member. Cardinal does not set tier levels.

Prices for products manufactured by Cardinal Health, or pricing for products not available through Novation nor manufactured by Cardinal, are quoted using higher (better) tier level costing based upon the approximate usage volumes supplied in the bid document. This pricing will be reflected in the prices found on line. These prices shall remain consistent for any customers accessing this contract. For audit purposes, Cardinal will provide a master list of these items and their current prices.

2.2.2 All products covered by Cardinal internal contracts and programs which fall under the scope of the contract are available to the State of Utah.

2.2.5 All prices include delivery, sales representation, all costs, and all Cardinal services offered under the contract.

2.2.6 All items available through Novation which are within the scope of this contract are part of this contract as though they had been included in the bid. Items within the scope of this contract are “medical, hospital and personal care items” with an each-price value of $1,800.00 dollars or less. Items above that value must be bid separately.
2.2.7 Break-bulk quantities in the lowest unit of measure (LUM) packaged (safe and sterile) by the manufacturer is a requirement of the contract.

2.2.8 Pricing for packaging levels are/must be multiples of each other. For example, if an Item is packaged by EA, 10 EA per BX, and 10 BX per CS, the EA price is $1/100^{th}$ of the CS price and a BX is $1/10^{th}$ of the CS price.

2.2.9 What rules govern the determination of the prices for non-GPO Items? Markups, by manufacturer, are determined based upon the cost to distribute product lines. Markups are structured to provide the State of Utah extremely competitive pricing while allowing Cardinal to cover our costs to distribute.

2.2.10 The State of Utah will receive a Price Change Notification (PCN) a minimum of 60 Days prior to any price change. The PCN, to comply with the specifications of this proposal, would be customized to identify GPO (Novation) and non-GPO price increases. The PCN will, at minimum, contain the following information:

- Name and account numbers of facilities using the affected product.
- Material numbers affected (both Cardinal material number and manufacturer material number) effective date, current price, new price and the reason for the increase.

2.2.11 All rebates are calculated into the net price at point of sale.

2.2.12 Cardinal will offer special discounts for periodic high-volume purchases when they become available and will be included in the net price(s).

2.2.14 The State Procurement Credit Card (currently VISA) is accepted without additional markup.

**Section 3.3 – On-line Catalog and Ordering**

3.3.1 On-line catalog and on-line ordering are available under this contract and may be found at Cardinal.com and CardinalMD.com.

3.3.2 It is password protected and shows exact State pricing net of all costs.

3.3.3 It easily shows the quantities available for each package level (EA, BX, CS, etc.) and corresponding prices.

3.3.4 It shows what is in stock at the warehouse located in Utah and at other Cardinal warehouses close to Utah.

3.3.5 CardinalMD automatically creates a “favorite list” based on the previous 90 days item usage. For those who prefer to use Cardinal.com Cardinal will download facility specific usage to create customized usage lists.
3.3.6 Usage, fill rates, in-stock Items, estimated delivery times for non-stock, etc. can be seen on line.

3.3.7 Product pictures, detailed product descriptions, product latex content and sterility status, printable MSDS (material safety data sheets), streamlined checkout, order confirmation and order status are all available.

3.3.8 On line users may create their own custom catalogue based on past purchases. Additional users may be added and or removed only by system administrators. Printable invoice copies are available. Systems users can view complete order and item tracking information including mode of delivery, delivery time, and the name of the person that received the shipment or product.

The OrderConnect system allows users to scan bar codes quickly and easily with a mini-scanner. The bar codes contain all product information, including unit of measure and material number. The scanners downloaded directly to Cardinal.com where the items selected are automatically placed in the facilities shopping cart.

The system recognizes specific users when scanner downloads are performed and system sign on is automatic. Once the items are in the cart real time pricing and availability information is displayed on line. Items in the cart can be edited and ordered at any time. Purchase order numbers can be added and the final order can be printed to aid in the facilities receiving, payables and other processes.

3.3.9 Ordering options include placing orders by telephone, fax or email through the customer service department, sales representative or region manager. Cardinal personnel can, by request, prepare a custom printed catalogue for any State of Utah facility. This catalogue could be sorted in any method requested and would contain material numbers, descriptions, current pricing and unit of measure information.

3.3.10 Cardinal offers three options for users to become familiar with on-line capabilities.

#1 One-on-one training sessions with individual users with sales representatives, regional manager, or Cardinal.com support personnel.

#2 Classes given for State of Utah personnel at our Salt Lake City facility.

#3 On-line help files are available in Cardinal.com and CardinalMD.com. Many of these files are tutorial in nature and include video clips.

To answer any ongoing questions Cardinal offers full time Cardinal.com and CardinalMD.com support personnel. In addition, Region sales representatives and the Cardinal region manager are available at any time to answer ongoing questions.

Section 4.4 – Distribution
4.4.1 There are no requirements around minimum orders. Cardinal will assist facility personnel in identifying processes which would consolidate orders at individual facilities while still providing the high level of service required.

4.4.2 Any order placed by 3:00 PM shall be delivered the next business day. Second day delivery can be requested at any time prior to 3:00 PM.

Each facility is assigned specific shipping/delivery days. In the event an order is needed on a non-shipping day, make this known at the time of order placement.

4.4.3 Fill rate as the total lines on an order delivered on the customers next scheduled delivery day divided by the total lines ordered.

Cardinal’s rate guarantee for core (customer usage) items is 96% and typically exceeds 97%.

4.4.4 Cardinal’s system automatically sources products not stocked in Salt Lake City from other Cardinal facilities. These items ship immediately.

Items not in stock due to circumstances beyond the control of Cardinal (example: product recalls) are cross-referenced to identify acceptable substitutes and customers are notified of the choice. Items that are not stocked anywhere within the Cardinal system are sourced on a direct basis from the manufacturer. These orders are rare and delivery times are dependent on the manufacturer of the products.

Cardinal commits to dedicating a sales support specialist to review and resolve back orders on core items for the State of Utah facilities on a daily basis.

4.4.5 Cardinal utilizes company owned vehicles to deliver products to customers in Salt Lake, Davis, and Utah counties. Products delivered to customers outside of Salt Lake, Davis, or Utah counties are delivered by UPS, G&G Delivery Services and other commercial carriers.

4.4.6 Order status is immediately available upon order placement by fax, Email or online at Cardinal.com or CardinalMD.com.

Section 5.5 – Sales Support

5.5.1 Sales support is available for same day responses from 1) customer service representatives, 2) sales representatives including our inside sales specialist, and 3) the Region Manager. Each of these sources has real time, up to the minute information to answer questions and resolve any issues.

5.5.2 Each facility will be assigned to either a field or inside sales specialist who will have expertise in the workings of the facility, its operation, personnel, and products used.
5.5.3 Cardinal will provide sales support with experience in serving all sizes and types of facilities.

5.5.4 Frequency of sales representative contact is determined in collaboration with the facility personnel, the Cardinal representative and the Region Manager.

Cardinal sales representatives make certain that all orders placed meet the criteria in section 2.2.

**CARDINAL RETURNED GOODS POLICY**

**AUTHORIZATION**
All returns must be authorized by your Cardinal Sales or Customer Service Representative who will advise you of the proper mode of transportation for the shipment. Authorization will only be valid for thirty days.

**RETURN PROCEDURE**
Each return must include the following information:
1. Purchaser name and address.
2. Cardinal invoice number.
3. Invoice date.
4. Purchaser purchase order number.
5. Quantity, catalog number and description of item.
6. Reason for return.

**RETURN POLICY**
Cardinal will authorize the return of all products in salable condition with the following exceptions:

- Products not purchased from Cardinal
- Products purchased more than 3 months prior to the return request
- Products that are regulated hazardous chemicals or reagents
- Instruments that have been used to analyze human body tissue
- Sterile eaches of low unit of measure product
- Special or custom products made to customer specifications
- Products returned in defaced or other than original packaging
- Drug products that are shipped outside the United States (re-import prohibited)
- Aventis Flu-Zone Vaccine
- Prescription drugs that are returned without a customer signed Cardinal Healthcare Ongoing Assurance document.
- Prescription drugs that are returned that do not achieve Cardinal Healthcare protective service and protective packaging guidelines.
- Refrigerated, frozen, or temperature controlled products, with the exception that Cool Room coded product ("C" coded) can be accepted back from customers and returned to stock only if ALL 4 circumstances noted below apply to the return.
The product is returned within a 5-day transit time window. The external outdoor air temperature is less than 86 degrees Fahrenheit (86°F). The only acceptable reason for the return is a picking or ordering error. This exception applies to activities in all states that Cardinal services except for the state of Louisiana.

All return items not locally stocked will be subject to locally determined supplier restocking fee. All returns not due to Cardinal error will be subject to a minimum of 15% restocking fee. In the event that an unauthorized return is accepted, there will be a minimum of 25% restocking fee.

DISCLAIMER FOR RETURNED GOODS POLICY
This policy is not intended to supersede any specific agreement between Cardinal and its customers, but will supplement any areas not covered in a specific customer agreement. This policy does supersede, where inconsistent, all previous Returned Goods Policies.

CARDINAL HEALTH CORPORATION
MEDICAL PRODUCTS & SERVICES DIVISION
WEST REGION
DISASTER RELIEF PLAN

In the event of an emergency, Cardinal Health Medical Products & Services Division is prepared to take immediate actions to support the supply needs of our customers.

Cardinal Health presently operates 47 Distribution Centers and 5 Replenishment Centers throughout the Continental United States.

Relief supplies would be distributed from the service center closest to the impacted area and other regional facilities as needed. However, if needed, the entire network working together with manufacturers and suppliers could be mobilized to satisfy whatever requirements were encountered in a mass casualty situation. The West Region distribution facilities are listed below.

<table>
<thead>
<tr>
<th>LOCATION #</th>
<th>CONTACT</th>
<th>TITLE</th>
<th>PHONE</th>
</tr>
</thead>
<tbody>
<tr>
<td>8440 Concord Center Dr. Englewood, CO 80112</td>
<td>Kathy Popejoy</td>
<td>OM</td>
<td>720/568-4504</td>
</tr>
<tr>
<td>525 West 21st Street Tempe, AZ 85282</td>
<td>Chris Freid</td>
<td>OM</td>
<td>480/968-5454</td>
</tr>
</tbody>
</table>
Access to inventories across the country allows Cardinal Health’s national supply network to satisfy all emergency demands for merchandise. If one of the local distribution centers were unable to supply your immediate needs, the merchandise will be pulled and air shipped from the closest region. A centralized computer network in Chicago allows us constant access to the corporate network. In the event that our phone system was damaged or destroyed your calls would be diverted to the closest functional distribution facility. Each Cardinal Health facility has emergency response procedures to ensure that internal operations continue in the event of a disaster.

Cardinal Health’s West Regional Management Team has chosen not to establish a stationary Emergency Operations Center. The Emergency Operations Center (EOC) is designed to be mobile and flexible given the variety of circumstances that may be encountered.

In a major disaster Cardinal Health will act in concert with local disaster organizations such as county Department of Health Services Emergency Operations Centers, the Utah office of Emergency Services, local Emergency Services networks and the Utah National Guard to meet the priority supply needs of the impacted region. This includes maintaining contact with emergency communication centers for transportation carriers. Cardinal Health customers are strongly encouraged to coordinate their emergency communications planning with their local county sheriff’s department radio network, such as the Radio Amateur Civil Emergency System (RACES).

Cardinal Health has a privately owned fleet of 5 trucks in UTAH to assure the supply of emergency products. Cardinal Health is capable of providing helicopter shipments of emergency supplies provided the following criteria are met.

- The receiving facility is declared a priority by local emergency services.
- A landing zone is available.
A standing emergency relief order is on file.

The Emergency Relief Supply Order (ERSO) is a list of supplies, which are available from the service center’s core inventory. The ERSO cannot include any specified control lot inventory, set aside inventory or inventory, which the service center would maintain specifically for a single customer. This list of supplies, which is specified by the customer and agreed upon by the appropriate individuals, will be shipped given the following events:

- An Emergency Relief Supply Order is completed and on file.
- The ERSO has the appropriate signatures.
- The customer is located in or near the impact area.
- Contact with the customer by conventional and unconventional means has been unsuccessful for the specified and agreed upon time.
- Contact is established and the customer releases the order.

Cardinal Health encourages all its customers to embrace and participate in this program. Engaging a proactive program such as this will ensure the correct medical supplies are distributed when and where they are most needed following a disaster situation.

EMERGENCY RELIEF SUPPLY ORDER

<p>| ACCOUNT NUMBER: | ________________________________ |
| NAME OF INSTITUTE: | __________________________________ |
| SHIP TO ADDRESS: | __________________________________ |</p>
<table>
<thead>
<tr>
<th>Catalog Number</th>
<th>Unit of Measure</th>
<th>Quantity</th>
<th>Product Description</th>
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</thead>
<tbody>
<tr>
<td></td>
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FINET COMMODITY CODE(S): For Agency use only
47500000000 – HOSPITAL, SURGICAL, AND RELATED MEDICAL ACCESSORIES AND SUNDRY ITEMS
00000000000 – Generic Commodity Code

REVISION HISTORY:
Revision #1: Contact’s office, cell, and fax numbers updated.
Revision #2: Fuel Surcharge Effective 08/04/08.
Revision #3: Please note fuel surcharge decrease effective 01/01/2009.
Revision #4: Extended the contract and reduced the fuel surcharge.
Revision #5: Increase the fuel surcharge by $0.05.
Revision #6: Increase the fuel surcharge by $0.15.
Revision #7: Increase the fuel surcharge by $0.05.
Revision #8: Increase the fuel surcharge by $0.15.
Revision #9: Contract extended through 07/01/2011.
Revision #10: Increase the fuel surcharge by $0.05
Revision #11: Increase the fuel surcharge by $0.05