



County of Santa Clara
Office of the County Executive
Procurement Department
150 W. Tasman Dr., First Floor
San Jose, CA 95134
Telephone 408-491-7400 • Fax 408-491-7496

**AGREEMENT BETWEEN THE COUNTY OF SANTA CLARA AND
CARDINAL HEALTH FOR PHARMACY GOODS FOR DISTRIBUTION**

This agreement is entered into by and between the County of Santa Clara (the "County") and Cardinal Health 110, LLC and Cardinal Health 112, LLC, wholly-owned subsidiaries of Cardinal Health, Inc. a corporation incorporated under the laws of the State of Ohio, (collectively, "Contractor" or "Cardinal Health").

The parties intending to be bound, mutually agree as follows:

KEY PROVISIONS

AGREEMENT TITLE:	Pharmacy Goods for Distribution
AGREEMENT NUMBER:	5500003163
AGREEMENT TERM:	October 1, 2021 through September 30, 2026 unless terminated or extended as provided herein.
COMMODITY NAME:	Pharmaceutical Goods for Distribution
COMMODITY NO:	465
AUTHORIZED USER:	County of Santa Clara Health System ("CSCHS" or the "Health System") including but not limited to, the following locations,
	Santa Clara Valley Medical Center 751 South Bascom Avenue San Jose, CA 95128
	O'Connor Hospital 2105 Forest Avenue San Jose, CA 95128

Approved: 09/28/2021

Board of Supervisors: Mike Wasserman, Cindy Chavez, Otto Lee, Susan Ellenberg, Joseph Simitian
County Executive: Jeffery V. Smith

St. Louise Regional Hospital
9400 No Name Uno
Gilroy, CA 95020

**COUNTY DEPARTMENT
CONTACT:**

Narinder Singh, Director of Pharmacy
Phone: 408-885-2300
Email: narinder.singh@hhs.sccgov.org

Kelsey Kaku, Supervising Pharmacist
Phone: 408-885-3465
Email: kelsey.kaku@hhs.sccgov.org

Notices to the County shall be sent to:

Procurement Contact
Irene Shen, Sr. Strategic Sourcing Officer
150 West Tasman Drive, First Floor
San Jose, CA 95134
Phone: 408-491-7412
Email: Irene.Shen@prc.sccgov.org

Department Contact
Kelsey Kaku, Supervising Pharmacist
777 Turner Drive,
San Jose, CA 95128
Phone: 408-885-3465
Email: kelsey.kaku@hhs.sccgov.org

SUPPLIER:

Cardinal Health 110, LLC/Cardinal Health 112, LLC
7000 Cardinal Place
Dublin, OH 43017

SUPPLIER CONTACT:

Daniel Krum, Core Account Manager
Phone: 916-529-2179
Email: Daniel.Krum@cardinalhealth.com

Donna Jung
Director, Core Account Management
Southwest/Innovative Delivery Solutions
Cell: 661.309.8924
Email: Donna.Jung@cardinalhealth.com

Notices shall also be copied to:

Cardinal Health 110, LLC
Attn: General Counsel
7000 Cardinal Place, Dublin, OH 43017

Cardinal Health 112, LLC
Attn: General Counsel
7000 Cardinal Place, Dublin, OH 43017

SUPPLIER NUMBER: 1028580

PURPOSE: Establish contract with Cardinal for the purchase of pharmacy goods.

TAX STATUS: Taxable, Products

TOTAL AGREEMENT VALUE: Not-to- Exceed \$700,000,000

COUNTY CONTRACT ADMINISTRATOR: Irene Shen, Sr. Strategic Sourcing Officer
Phone: 408-491-7412
Email: Irene.Shen@prc.sccgov.org

REFERENCE: The following exhibits are incorporated and constitute a material part of the Agreement:

Exhibit A: County of Santa Clara Terms and Conditions
Exhibit B: Price Summary
Exhibit C: Cardinal Health Performance Service Level
Exhibit D: Disaster Preparedness Program
Exhibit E: Cardinal Health Returned Goods Policy and Returned Goods Authorization Ongoing Assurance
Exhibit F: Insurance Requirements
Exhibit G: Statement of Work

AGREEMENT DEFINED: The "Agreement" means, collectively, these "Key Provisions" as set forth above, Exhibit A (County of Santa Clara Terms and Conditions), Exhibit B (Price Summary), Exhibit C (Cardinal Health Performance Service Level), Exhibit D (Disaster Preparedness Program), Exhibit E (Cardinal Health Returned Goods Policy), Exhibit F (Insurance Requirements), and Exhibit G (Statement of Work), and any other exhibits, addenda, schedules, or attachments that are later expressly incorporated herein by mutual written agreement of the parties.

ORDER OF PRECEDENCE: In the event of conflict between provisions within the Agreement, the Agreement shall be interpreted in the following order of precedence: (1) these "Key Provisions" as set forth above and here, (2) Exhibit A (County of Santa Clara Terms and Conditions), (3) Exhibit B (Price Summary),

(4) Exhibit C (Cardinal Health Performance Service Level), (5) Exhibit G (Statement of Work), (6) Exhibit E (Cardinal Health Returned Goods Policy), (7) Exhibit D (Disaster Preparedness Program), and (8) Exhibit F (Insurance Requirements).

By signing below, signatory warrants and represents that he/she executed this Agreement in his/her authorized capacity, that he/she has the authority to bind the entity listed below to contractual obligations and that by his/her signature on this Agreement, the entity on behalf of which he/she acted, executed this Agreement.

COUNTY OF SANTA CLARA

Mike Wasserman

SEP 28 2021

Mike Wasserman
President, Board of Supervisors

Date

CARDINAL HEALTH 110, LLC
CARDINAL HEALTH 112, LLC

DocuSigned by:

Genevieve Johnson

By:

8F676701EE28449...

Print:

Genevieve Johnson

ATTEST:

Tiffany Lennear

SEP 28 2021

Tiffany Lennear
Acting Clerk of the Board of Supervisors

Date

Title:

VP, Sales

Date:

9/15/2021

APPROVED AS TO FORM AND LEGALITY

DocuSigned by:

Sara J Ponzio

9/15/2021

4B974B95089D409...

Sara J. Ponzio
Deputy County Counsel

Date

EXHIBIT A COUNTY OF SANTA CLARA TERMS AND CONDITIONS

DEFINITIONS

- a. "County Confidential Information" shall include all material, non-public information (including material, non-public County Data) appearing in any form (including, without limitation, written, oral or displayed), that is disclosed, directly or indirectly, through any means of communication by County, its agents or employees, to Contractor, its agents or employees, or any of its affiliates or representatives in connection with Contractor's performance of services under the Agreement. Confidential Information shall not include information that: (i) was already known to Contractor at the time of disclosure by the County, (ii) was generally available to the public at the time of disclosure by the County, (iii) after disclosure by the County, became generally available to the public other than by a breach of this Agreement, (iv) after disclosure by the County, became known to Contractor from a third party lawfully disclosing such information, or (v) was independently created or developed by or for Contractor without reference to or use of the County Confidential Information. Notwithstanding anything to the contrary that may be contained herein, information generated, compiled or stored by Contractor reflecting the purchase and resale of products to the County ("Sales Data") does not constitute County Confidential Information, and Contractor will be entitled to utilize all such Sales Data in any manner deemed appropriate by it, including, but not limited to, selling and/or otherwise providing such Sales Data to manufacturers and/or other third parties, without limitation.
- b. "County Data" shall mean proprietary data and information received by Contractor from County in connection with Contractor's performance under the Agreement. County Data includes any such information or data that is transported across a County network, or that resides in a County-owned information system, or on a network or system under the control and management of a contractor for use by County. As between Contractor and County, all County Data shall remain the property of County. Notwithstanding anything to the contrary herein, County Data shall not include Sales Data.
- c. When used in this Agreement, "days" shall refer to calendar days unless stated otherwise.
- d. "Breach" means, with respect to Section 65 (County Data), unauthorized access to, or use, loss or disclosure of, County Data that compromises the security, confidentiality, or integrity of County Data or information security networks.
- e. "Independent Penetration Testing," or "pen testing," means the County's practice - by using an independent third party - of testing a computer system, network or web application to find security vulnerabilities that an attacker could exploit
- f. "Risk Assessment" means the process by which the County's Information Security Office ("ISO") assesses (i) the Contractor's information security program, and related aspects, by identifying, analyzing, and understanding how the Contractor will store, process and transmit County Data; and (ii) the potential impact on the County of any security risks, weaknesses and threats related to safeguarding County assets and County Data. The Risk Assessment usually includes the ISO's evaluation of documentation provided by the Contractor.

Exhibit A, County of Santa Clara Terms and Conditions

1. NON-EXCLUSIVE AGREEMENT

The Agreement does not establish an exclusive contract between the County and the Contractor. The County expressly reserves rights to, without limitation, the following: the right to utilize others to provide products, support and services; the right to request proposals from others with or without requesting proposals from the Contractor; and the unrestricted right to bid any such product, support or service. During the term of this Agreement, the county will designate Cardinal Health as the primary wholesale pharmaceutical supplier to all pharmacies, hospitals, nursing homes, clinics, and/or other facilities whether now or hereafter owned, managed, or operated by County (collectively, the “**Facilities**” and individually, a “**Facility**”). A current list of the Facilities is attached as Exhibit E Section 16. Additional facilities may be added to Exhibit E Section 16 from time to time subject to the Cardinal Health’s advance approval.

County will purchase from Contractor during the term of this Agreement nationally branded prescription and generic prescription pharmaceuticals (“**Rx Products**”), nutritional supplements, over the counter pharmaceutical inventory, and professionally required pharmacy supplies carried by Contractor (“**Non-Rx Products**” and, together with Rx Products, collectively the “**Merchandise**”) for delivery directly to the Facilities. County reserves the right to purchase pharmaceutical and related products directly from third parties or alternative sources (Including Canada to the extent permitted by law) in its sole discretion; provided, the County will purchase from Contractor, in the aggregate, not less than 90% of its Merchandise requirements readily available from Contractor. To the extent that Contractor is unable to supply such Merchandise, whether for a Force Majeure Event or for any other reason, the County shall have the right to purchase such Merchandise from other sources and such purchases shall be excluded from the ninety percent (90%) purchase requirement.

2. PRODUCTS

Contractor shall recognize and administer manufacturer contracts between County and any manufacturer (collectively, “**Manufacturer Contracts**”) (i) subject to their continued validity in accordance with applicable laws; (ii) provided such manufacturer is a vendor-in-good-standing with Contractor; and (iii) subject to such credit considerations concerning the applicable manufacturers as Contractor may consider appropriate. However, if manufacturers' chargebacks for contract items submitted by Contractor are disallowed, uncollectable, or unreconcilable as determined by the manufacturer through the chargeback process, then the applicable charge will be billed back to the County. County will notify Contractor of all Manufacturer Contracts. In addition, County will provide Contractor with a copy of all new Manufacturer Contracts entered into after the effective date of this Agreement and manufacturer verification of all renewals, replacements or terminations of Manufacturer Contracts not less than thirty (30) days prior to the effective date of such new contract, renewal, replacement or termination.

Despite any other provision in this Agreement, the County understands that Contractor reserves the absolute right to determine what Merchandise it will carry. Contractor will notify County, to the extent possible, at least sixty (60) days in advance of any items of Merchandise purchased by County that Contractor intends to remove from its inventory. If Contractor does not provide the County at least sixty (60) days advance notice of its intent to discontinue carrying an item of Merchandise previously purchased by the County, the County may purchase up to sixty (60) days' average usage of such item from a third party and Contractor will reimburse the County for any difference in pricing between the discontinued item and the item purchased from the third party; provided, however, if Contractor has any remaining inventory of such item and can supply it to the County, the purchases of such item from the third party for which the County will be reimbursed hereunder will be reduced proportionally (for example, if Contractor can supply thirty (30) days' average usage of the discontinued item from its remaining inventory, the County will only be

Exhibit A, County of Santa Clara Terms and Conditions

reimbursed hereunder for purchases of thirty (30) days' average usage of such item purchased from the third party).

This Agreement does not provide authority to ship Merchandise. That authority shall be established by contract release purchase orders placed by the County and sent to Contractor throughout the term of the Agreement. Each and every contract release purchase order shall incorporate all terms of this Agreement and this Agreement shall apply to same.

Any additional or different terms or qualifications sent by Contractor, including, without limitation, electronically or in mailings, attached to invoices or with any Merchandise shipped, shall not become part of the contract between the parties. County's acceptance of Contractor's offer is expressly made conditional on this statement.

Contractor shall provide to the County, all documentation and manuals available to Contractor from the applicable manufacturer/supplier relevant to the Merchandise to be supplied hereunder, at no additional cost. Such documentation shall be delivered either in advance of the delivery of Merchandise or concurrently with the delivery of Merchandise.

Employees and agents of Contractor, shall, while on the premises of the County, comply with all applicable, published rules and regulations of the premises, including, but not limited to, security requirements. County shall provide Contractor a copy of all such rules and regulations prior to the Effective Date.

All Merchandise shall be delivered to a County site specified in the contract release purchase order, or if not so specified therein, in the Statement of Work/Specifications.

Contractor represents that all prices, warranties, benefits and other terms being provided hereunder are fair, reasonable and commensurate with the terms otherwise being offered by Contractor to its current customers ordering comparable goods and services. County does not guarantee any minimum orders.

3. NECESSARY ACTS AND FURTHER ASSURANCES

The Contractor shall at its own cost and expense execute and deliver such further documents and instruments and shall take such other actions as may be reasonably required or appropriate to evidence or carry out the intent and purposes of this Agreement.

4. COUNTING DAYS

Invoices with a due date that falls on a Saturday or Sunday will be due the immediately preceding Friday. Invoices due on a legal holiday will be due on the immediately preceding business day.

5. PRICING

Unless otherwise stated, the pricing matrix in Exhibit B shall be fixed for the term of the Agreement, including all extensions.

Exhibit B of the Agreement is the basis for pricing and compensation throughout the term of the Agreement.

6. MODIFICATION

This Agreement or any contract release purchase order may be supplemented, amended, or modified only by the mutual agreement of the parties. No supplement, amendment, or

Exhibit A, County of Santa Clara Terms and Conditions

modification of this Agreement or contract release purchase order will be binding on either party unless it is in writing and signed by both parties' authorized representatives.

7. TIME OF THE ESSENCE

Time is of the essence in the delivery of non-drop-shipped Merchandise provided by Contractor under this Agreement and any contract release purchase order.

If applicable, Contractor agrees to provide a service level penalty in accordance with Exhibit C of the Agreement.

8. HAZARDOUS SUBSTANCES

If any product being offered, delivered or supplied to the County is listed in the Hazardous Substances List of the Regulations of the Director of Industrial Relations with the California Occupational Safety and Health Standards Board, or if the product presents a physical or health hazard as defined in the California Code of Regulations, General Industry Safety Order, Section 5194 (T8CCR), Hazard Communication, the Contractor must include a Safety Data Sheet (SDS) with delivery, or shipment. Each MSDS must reference the contract/purchase order number, and identify the "Ship To Address". All shipments and containers must comply with the labeling requirements of Title 49, Code of Federal Regulations by identifying the hazardous substance, name and address of manufacturer, and appropriate hazard warning regarding potential physical safety and health hazard.

9. SHIPPING AND RISK OF LOSS

Goods shall be packaged, marked and otherwise prepared by Contractor in suitable containers in accordance with sound commercial practices. Contractor shall include an itemized packing list with each shipment and with each individual box or package shipped to the County. The packing list shall contain, without limitation, the applicable contract release purchase order number.

Unless otherwise specified in writing, all shipments by Contractor to County will be F.O.B. point of destination. Freight or handling charges are not billable unless such charges are referenced on the order. Transportation receipts, if required by contract release purchase order, must accompany invoice. Regardless of F.O.B. point, Contractor agrees to bear all risks of loss, injury, or destruction to goods and materials ordered herein which occur prior to delivery at County's destination; and such loss, injury or destruction shall not release Contractor from any obligation hereunder.

Any shipments returned to the Contractor shall be delivered as F.O.B. shipping point.

10. INSPECTION AND RELATED RIGHTS

All goods and services are subject to inspection, testing, approval and acceptance by the County. Inspection shall be made within three (3) days or a reasonable time after delivery, in accordance with the Return Goods Policy outlined in Exhibit E to this Agreement. If the goods, services, or the tender of delivery fail in any respect to conform to the contract, the County may reject the entire tender, accept the entire tender, or, if the deliverables are commercially divisible, may, at its option, accept any commercial unit or units and reject the rest.

Contractor shall be responsible to reclaim and remove any rejected goods or items at its own expense. Should Contractor fail to reclaim or remove any rejected goods or items within a reasonable time, County shall, at its option dispose of such goods or items and require reimbursement from Contractor for any costs or expenses incurred.

Exhibit A, County of Santa Clara Terms and Conditions

The Contractor shall promptly reimburse the County for the full amount of its liability, or, at County's option, the County may offset such liability from any payment due to the Contractor under any contract with the County. To the extent that Cardinal Health is unable to supply such Merchandise, whether for a Force Majeure Event or for any other reason, the County shall have the right, at the County's sole cost and expense, to purchase such Merchandise from other sources and such purchases shall be excluded from the ninety percent (90%) purchase requirement.

The rights and remedies of County provided herein shall not be exclusive and are in addition to any other rights and remedies provided by law. The acceptance by County of late or partial performance with or without objection or reservation shall not waive the right to claim damage for such breach nor constitute a waiver of the rights or requirements for the complete and timely performance of any obligation remaining to be performed by the Contractor, or of any other claim, right or remedy of the County.

11. ADJUSTMENT BY COUNTY

The County reserves the right to waive a variation in specification of goods or services supplied by the Contractor. Contractor may request an equitable adjustment of payments to be made by County if County requires a change in the goods or services to be delivered. Any claim by the Contractor for resulting adjustment of payment must be asserted within 30 days from the date of receipt by the Contractor of the notification of change required by County; provided however, that the County's authorized representative decides that the facts justify such action, may receive and act upon any such claim asserted at any time prior to final payment made for goods and services supplied by Contractor. Nothing in this clause shall excuse performance by Contractor.

12. RETURNS

Contractor will accept Merchandise originally purchased from Contractor for return from County in accordance with the Cardinal Health Returned Goods Policy as set forth on Exhibit E.

13. ORDERING

To qualify for the pricing set forth on Exhibit B, County must electronically transmit all orders (excluding emergency orders) to Contractor via Order Express or such other electronic order entry system as Contractor may approve from time to time. Contractor will provide County with access to Order Express at no additional charge; provided, however, County must supply all hardware required to access Order Express, all required internet access and any required interfaces or other network enhancements, all at the County's own expense. Contractor may not use Order Express or any other electronic order entry system for any purpose unrelated to this Agreement. If electronic order entry is temporarily interrupted for reasons beyond County or Contractor's control, County may place orders manually and both parties will use reasonable efforts to fix the problem. All orders for Federal Drug Enforcement Agency ("DEA") Schedule II controlled substances must be submitted to Contractor via Contractor's electronic Controlled Substance Ordering System ("CSOS"). If Schedule II controlled substance orders are not submitted via CSOS, Contractor reserves the right to increase County's Cost of Goods by 0.05%. Schedule II orders will be delivered with your next scheduled delivery after our receipt of the CSOS order. Regardless of any other terms of this Agreement, no Schedule II orders will be delivered other than in compliance with DEA regulations. If Contractor stocks inventory under this Agreement at County's request that Contractor would not otherwise stock ("Custom Inventory"), County agrees that, before substituting other inventory in place of such Customer Inventory, and upon termination or expiration of this Agreement for any reason, County will purchase the remaining Custom Inventory under the terms of this Agreement until it is depleted.

Exhibit A, County of Santa Clara Terms and Conditions

14. INVOICING

Contractor shall invoice according to Exhibit B of the Agreement. Invoices shall be sent to the County customer or department referenced in the individual release purchase order. Invoices shall be for Merchandise sold under this Agreement.

Invoices shall include: Contractor's complete name and remit-to address; invoice date, invoice number, and payment term; County contract number; pricing per the Agreement; applicable taxes; and total cost.

Contractor and County shall make reasonable efforts to resolve all invoicing disputes within seven (7) days.

15. PAYMENT

"DSO" means "days sales outstanding." The County's initial standard payment term shall be 15 DSO: Undisputed invoices are each due fifteen (15) days from their invoice date.

All payments due from County to Contractor for Merchandise delivered and services rendered by Contractor under the Agreement will be made to the applicable servicing division specified in Contractor's invoice (or as otherwise specified by Contractor) by electronic funds transfer or other method acceptable to Contractor so as to provide Contractor with good funds by the due date. Deductions for Merchandise, returns, or shipping discrepancies (quantity and price) may not be taken until a valid credit memo is issued by Contractor. Contractor retains the right to place County on cash-on-delivery ("C.O.D.") status with seven (7) calendar days' notice if Contractor has not received payment when due for Merchandise delivered or services provided to the County, or move the county to pre-pay status with seven (7) calendar days' notice if County's financial state indicates insolvency is imminent. If the County fails to pay in accordance with the foregoing requirements, Contractor retains the right to refuse orders. All obligations hereunder shall be joint and several obligations of and each of their respective subsidiaries, affiliates and related parties and any other entities it owns, manages or controls, whether now or hereafter existing. Without limiting Contractor's rights under law or in equity, Contractor and its affiliates, parent or related entities, collectively or individually, may exercise a right of set-off against any and all amounts due County. For purposes of this Section, Contractor, its affiliates, parent or related entities shall be deemed to be a single creditor. County may, from time to time (but not more often than once per calendar quarter), request that its payment terms be changed as to future Merchandise purchases under the Agreement, subject to Contractor's prior written consent, which shall not be unreasonably withheld. County acknowledges and agrees that, in the event the County's payment terms are changed, the County's purchase price shall be adjusted by Contractor to reflect the County's new payment terms.

Payment is deemed to have been made on the date Contractor receives electronic funds transfer.

For clarification purposes, the County may select one of the payment term options set forth in Exhibit B; however, the same payment term option must be selected for both this Agreement and A number 5500003164 ("SPD Agreement") between Cardinal Health 108, LLC ("SPD") and the County of Santa Clara. County and Contractor acknowledge and agree that since all payments are made through this Agreement, the calculation of DSO set forth above is a single calculation made in the aggregate based on payments received under this Agreement and the SPD Agreement.

Exhibit A, County of Santa Clara Terms and Conditions

16. OTHER PAYMENT PROVISIONS

Except as set forth, in Section L (Payment Term Options) to Exhibit B (Price Summary), County shall not make payments prior to receipt of service or goods (i.e. the County will not make "advance payments"). Unless specified in writing in an individual purchase order, the County will not accept partial delivery with respect to any purchase order. Any acceptance of partial delivery shall not waive any of County's rights on an ongoing basis.

Sales tax shall be noted separately on every invoice. Items that are subject to sales tax shall be clearly identified.

The County will pay, when due, any sales, use, excise, gross receipts, or value-added taxes, or other federal, state, or local taxes or other surcharges or assessments (other than any tax based on the net income of Contractor or imposed upon inventory held by Contractor in its warehouses) that Contractor is at any time obligated to pay or collect based on, or in any way levied on, the sale of Merchandise under this Agreement, or the Merchandise or any services related thereto. If Contractor pays any amounts which the County is obligated to pay under this Section, then the County will promptly reimburse Contractor in an amount equal to the amount documented as having been so paid by Contractor.

The County does not pay Federal Excise Taxes (F.E.T). The County will furnish an exemption certificate in lieu of paying F.E.T. Federal registration for such transactions is: County #94730482K. Contractor shall not charge County for delivery, drayage, express, parcel post, packing, cartage, insurance, license fees, permits, cost of bonds, or for any other purpose, unless expressly authorized by the County or otherwise set forth in this Agreement.

17. LATE PAYMENT CHARGES OR FEES

The Contractor acknowledges and agrees that the County will not pay late payment charges due to the Cost +0.00% invoicing structure set forth in Exhibit B.

18. DISALLOWANCE

In the event the Contractor receives payment for goods or services, which payment is later disallowed by the County or state or federal law or regulation, the Contractor shall promptly refund the disallowed amount to the County upon notification upon Contractor's verification of the disallowance.

19. TERMINATION FOR CONVENIENCE

Either party may terminate this Agreement upon providing at least one (1) year written notice to the other; provided, however, this Agreement may not be terminated during the first three (3) years following Effective Date of this Agreement. By way of example, if the County provides Contractor with written notice of termination pursuant to this Section on July 31, 2024, the Agreement will terminate July 31, 2025.

20. TERMINATION FOR CAUSE

Either party may effect an early termination of this Agreement upon the occurrence of a material breach by the other party. The non-breaching party must give written notice to the breaching party of the nature and occurrence of such breach. If the breach is not cured by the expiration of sixty (60) days from the date of such notice, or if the breaching party has not made reasonable efforts, in the sole discretion of the non-breaching party, to effect the cure if the breach cannot reasonably be cured within such sixty (60) day period, then the non-breaching party may provide written notice to the breaching party that this Agreement will be terminated immediately following the expiration of such sixty (60) day period. .

Exhibit A, County of Santa Clara Terms and Conditions

For purposes of this Agreement, material breach includes, but is not limited to, any of the following: (a) material breach of this Agreement or any contract release purchase order, (b) violation of any applicable laws or regulations; (c) assignment of the rights or duties under this Agreement without the written consent of the other party; or (d) less than perfect tender of delivery or performance by either party that is not in strict conformance with terms, conditions, specifications, covenants, representations, warranties or requirements in this Agreement or any contract release purchase order.

21. TERMINATION FOR BANKRUPTCY

If either party is adjudged to be bankrupt or should have a general assignment for the benefit of its creditors, or if a receiver should be appointed on account of such party's insolvency, the other party may terminate this Agreement immediately without penalty. For the purpose of this Section, bankruptcy shall mean the filing of a voluntary or involuntary petition of bankruptcy or similar relief from creditors; insolvency; the appointment of a trustee or receiver, or any similar occurrence reasonably indicating an imminent inability to perform substantially all the party's duties under this Agreement. If this Agreement is terminated, neither party may nullify obligations, if any, already incurred prior to the date of termination.

22. BUDGETARY CONTINGENCY

Performance and/or payment by the County pursuant to this Agreement is contingent upon the appropriation by the County of sufficient funds for Merchandise covered by this Agreement. If funding is reduced or deleted by the County for Merchandise covered by this Agreement, the County may, at its option and without penalty or liability, terminate this Agreement or offer an amendment to this Agreement indicating the reduced amount. In the event of such termination, the County shall be responsible for any unpaid balances for Merchandise provided by Contractor and accepted by County prior to the effective date of termination.

23. DISENTANGLEMENT

Contractor shall reasonably cooperate with County and County's other contractors to ensure a smooth transition at the time of termination of this Agreement, regardless of the nature or timing of the termination. Contractor shall reasonably cooperate with County's efforts to ensure that there is no interruption of work required under the Agreement and no adverse impact on the supply of goods, provision of services or the County activities. Contractor shall return to County all County assets or information in Contractor's possession.

Contractor shall deliver to County or its designee, at County's request, all County Data, documentation and other data related to County held by Contractor within sixty (60) days of the request, and after return of same, Contractor shall destroy all copies thereof not turned over to County, all at no charge to County.

24. DISPUTES

Intentionally omitted.

25. ACCOUNTABILITY

Contractor will be the primary point of contact and assume the responsibility of all matters relating to the purchase of Merchandise under this Agreement, including those involving the manufacturer and deliverer or any subcontractor, as well as payment issues. If such or similar issues arise, the Contractor will use all reasonable efforts to correct or resolve the issues as expeditiously as practicable.

Exhibit A, County of Santa Clara Terms and Conditions

26. NO ASSIGNMENT WITHOUT PRIOR WRITTEN CONSENT

Contractor may not assign any of its rights or obligations under this Agreement or any contract release purchase order without the prior written consent of County, which will not be unreasonably withheld; provided, however, that Contractor may delegate its rights and obligations to any entity that is controlled by or under common control with Cardinal Health, Inc. No assignment will release Contractor from any of its obligations or alter any of its obligations to be performed under the Agreement. Any attempted assignment in violation of this provision is voidable at the option of the County.

27. MERGER AND ACQUISITION

The terms of this Agreement will survive an acquisition, merger, divestiture or other transfer of rights involving Contractor. In the event of an acquisition, merger, divestiture or other transfer of rights Contractor must ensure that the acquiring entity or the new entity is legally required to:

- (1) Honor all the terms negotiated in any pre-acquisition or pre-merger Agreement between Contractor and the County, including but not limited to a) established pricing and fees; b) guaranteed product support until the contract term even if a new product is released; and c) no price escalation during the term of the contract.
- (2) Give 30-days written notice to the County following the closing of an acquisition, merger, divestiture or other transfer of right involving Contractor to an entity not owned by or under common control with Cardinal Health, Inc.

28. COMPLIANCE WITH ALL LAWS & REGULATIONS APPLICABLE TO GOODS AND/OR SERVICES PROVIDED

Each party shall comply with all laws, codes, regulations, rules and orders (collectively, "Regulations") applicable to the goods and/or services to be provided hereunder. A party's violation of this provision shall be deemed a material default by such party, giving the non-breaching party a right to terminate the contract as set forth herein. Examples of such Regulations include but are not limited to California Occupational Safety and Health Act of 1973, Labor Code §6300 *et seq.* the Fair Packaging and Labeling Act, and the standards and regulations issued there under.

29. FORCE MAJEURE

Neither party shall be liable for failure of performance, nor incur any liability to the other party on account of any loss or damage resulting from any delay or failure to perform all or any part of this Agreement if such delay or failure is caused by events, occurrences, or causes beyond the reasonable control and without negligence of the parties. Such events, occurrences, or causes will include acts of God/nature (including fire, flood, earthquake, storm, hurricane or other natural disaster), war, invasion, act of foreign enemies, hostilities (whether war is declared or not), civil war, riots, rebellion, revolution, insurrection, military or usurped power or confiscation, terrorist activities, nationalization, government sanction, lockout, blockage, embargo, labor dispute, strike, interruption or failure of electricity or telecommunication service, or any other cause beyond the reasonable control of the affected party ("Force Majeure Event").

Each party, as applicable, shall give the other party notice of its inability to perform and reasonable detail of the cause of the inability. Each party must use best efforts to remedy the situation and remove, as soon as practicable, the cause of its inability to perform or comply.

The party asserting a Force Majeure Event as a cause for non-performance shall have the burden of proving that reasonable steps were taken to minimize delay or damages caused by foreseeable events, that all non-excused obligations were substantially fulfilled, and that the other party was

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timely notified of the likelihood or actual occurrence which would justify such an assertion, so that other prudent precautions could be contemplated.

Each party shall reserve the right to terminate this Agreement and/or any applicable contract release purchase order, upon written notice, in the event of non-performance by the other party because of a Force Majeure Event if such non-performance continues for a period of at least thirty (30) days.

30. INDEPENDENT CONTRACTOR

Contractor shall supply all goods and/or perform all services pursuant to this Agreement as an independent contractor and not as an officer, agent, or employee of County. Contractor shall be solely responsible for the acts and omissions of its officers, agents, employees, contractors, and subcontractors, if any. Nothing herein shall be considered as creating a partnership or joint venture between the County and Contractor. No person performing any services and/or supplying all goods shall be considered an officer, agent, or employee of County, nor shall any such person be entitled to any benefits available or granted solely to employees of the County.

Contractor is responsible for payment to sub-contractors and must monitor, evaluate, and account for the sub-contractor(s) services and operations.

31. INSURANCE

Contractor shall maintain insurance coverage pursuant to Exhibit F setting forth insurance requirements.

32. DAMAGE AND REPAIR BY CONTRACTOR

Any and all damages to County owned or leased property caused by Contractor's negligence or operations shall be repaired, replaced or reimbursed by Contractor at no charge to the County. Repairs and replacements shall be completed within seventy-two (72) hours of the incident unless the County requests or agrees to an extension or another time frame. The cleanup of all damage related to accidental or intentional release of any/all non-hazardous or hazardous material (e.g. hydraulic fluid, fuel, grease, etc.) from Contractor's vehicles or during performance shall be the responsibility of the Contractor. All materials must be cleaned up in a manner and time acceptable to County (completely and immediately to prevent potential as well as actual environmental damage). Contractor must immediately report each incident to the County's Director of Procurement or designee. Damage caused by Contractor's operations or negligence shall be promptly reported by Contractor to County. County may, at its option, approve and/or dictate the actions that are in County's best interests.

33. LIENS, CLAIMS, ENCUMBRANCES AND TITLE

The Contractor represents and warrants that all Merchandise ordered and delivered hereunder are free and clear of all liens, claims or encumbrances of any kind. Title to the Merchandise purchased and delivered hereunder shall pass directly from Contractor to County at the F.O.B. point.

34. ASSIGNMENT OF CLAYTON ACT, CARTWRIGHT ACT CLAIMS

This Section is adopted and incorporated pursuant to the requirements of California Government Code Sections 4550 through 4554. Contractor agrees that, upon written request, it will assign to the County all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. '15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, materials, or services by Contractor for sale to the County pursuant to this

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Agreement. Such assignment shall be made and become effective at the time the County tenders final payment to Contractor. If the County receives, either through judgment or settlement, a monetary recovery for a cause of action assigned under this Section, Contractor shall be entitled to receive reimbursement for actual legal costs incurred and may, upon demand, recover from the County any portion of the recovery, including treble damages, attributable to overcharges that were paid by Contractor but were not paid by the County as part of the bid price, less the expenses incurred in obtaining that portion of the recovery. Upon demand in writing by Contractor, the County shall, within one year from such demand, reassign the cause of action assigned under this Section if Contractor has been or may have been injured by the violation of law for which the cause of action arose and (a) the County has not been injured thereby, or (b) the County declines to file a court action for the cause of action. The County agrees to provide Contractor with written notice if it takes any action to pursue any of the claims or causes of action assigned under this Section, including filing any complaint or any other legal action asserting such assigned claims.

35. INDEMNITY

Contractor shall indemnify, defend, and hold harmless the County, its officers, agents and employees from any third-party claim, liability, loss, injury, or damage (collectively "Claims") arising out of, or in connection with, the negligence or willful misconduct in the performance of this Agreement by Contractor and/or its agents, employees or sub-contractors, excepting only loss, injury or damage caused by the sole negligence or willful misconduct of personnel employed by the County. It is the intent of the parties to this Agreement to provide the broadest possible coverage for the County. Contractor shall reimburse the County for all costs, reasonable attorneys' fees, expenses, and liabilities as determined by a court of competent jurisdiction or other adjudicatory body, incurred by the County with respect to any Claim in which Contractor is obligated to indemnify, defend and hold harmless the County under this Agreement.

IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR SPECIAL CLAIMS, LIABILITIES OR DAMAGES.

36. INTELLECTUAL PROPERTY INDEMNITY

Contractor shall indemnify, defend, and hold harmless the County, its officers, agents and employees from any third-party Claims for intellectual property infringement resulting from the purchase or use of any Merchandise manufactured by Contractor and purchased under this Agreement, except to the extent the Claims are caused by the sole negligence or willful misconduct of personnel employed by the County.

37. WARRANTIES

Contractor warrants to the County that any product Contractor manufactures (the term "manufacture", for purposes of this warranty, does not include product repackaging) is, as of the date of shipment, fit for the purposes and indications described in the product labeling. Unless the product is used in reasonable accordance with its instructions, these warranties are void and of no effect. Other products Contractor distributes carry only those warranties made for them by their manufacturer. CONTRACTOR DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY, NON-INFRINGEMENT OR FITNESS FOR A PARTICULAR PURPOSE. CONTRACTOR'S SOLE OBLIGATION AND THE COUNTY'S EXCLUSIVE REMEDY FOR BREACH OF ANY WARRANTY WILL BE, AT CONTRACTOR'S OPTION, TO REPAIR OR REPLACE THE PRODUCT. Contractor will transfer to the County (on a non-exclusive basis) any representations, warranties and/or indemnities made by the manufacturers of the Merchandise to the extent that the same are assignable by Contractor, and will cooperate with all reasonable requests made by County to enforce such representations, warranties and/or indemnities against such manufacturers. Notwithstanding

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anything to the contrary herein, Contractor reserves its own rights under such representations, warranties and/or indemnities made by such manufacturers

38. COOPERATION WITH REVIEW

Contractor shall cooperate with County's periodic review of Contractor's performance.

Contractor shall make itself available onsite to review the progress of the project and Agreement, as requested by the County, upon reasonable advanced notice.

Upon reasonable advance notice, Contractor agrees to extend to the County or its designees and/or designated auditor of the County, the right to monitor or otherwise evaluate all work performed and all relevant records, including service records and procedures, that are necessary to assure that the project is achieving its purpose, that all applicable County, State, and Federal regulations are met, and that adequate internal fiscal controls are maintained.

39. AUDIT RIGHTS

Pursuant to California Government Code Section 8546.7, the parties acknowledge and agree that every contract involving the expenditure of public funds in excess of \$10,000 may be subject to audit by the State Auditor.

Not more than once in any twelve (12) month period and following sixty (60) days' advance written notice to Contractor, all payments made under this Agreement shall be subject to an audit at County's option and expense to verify compliance with the pricing terms of this Agreement, and shall be adjusted in accordance with said audit. Adjustments that are found necessary as a result of auditing may be made from current billings.

The Contractor shall be responsible for receiving, replying to, and complying with any payment adjustments set forth in any County audits. The Contractor shall pay to County the full amount determined to be due by the parties as a result of a County audit. This provision is in addition to other inspection and access rights specified in this Agreement.

40. ACCESS AND RETENTION OF RECORDS AND PROVISION OF REPORTS

Contractor shall maintain financial records adequate to show that County funds paid were used for purposes consistent with the terms of the contract between Contractor and County. Records shall be maintained during the term of the Agreement and for a period of four (4) years from its termination, or until all claims have been resolved, whichever period is longer, unless a longer period is required under any contract or applicable law.

All books, records, reports, and accounts maintained pursuant to the Agreement, or related to the Contractor's activities under the Agreement, that are necessary to verify Contractor's compliance with the terms of this Agreement shall be open to inspection, examination, and audit by County not more than once in any twelve (12) month period and with reasonable advance notice (and in any event not less than thirty (30) days advance notice) to Contractor, and by federal and state regulatory agencies. County shall have the right to obtain copies of any and all such books and records maintained pursuant to the Agreement, upon the payment of reasonable charges for the copying of such records.

Contractor shall provide annual reports that include, at a minimum, (i) the total contract release purchase order value for the County as a whole and individual County departments, and (ii) the number of orders placed, the breakdown (by customer ID/department and County) of the quantity

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and dollar amount of each product and/or service ordered per year. Annual reports must be made available no later than 30 days of the contract anniversary date unless otherwise requested.

Contractor shall also provide quarterly reports to the County that show a breakdown by contract release purchase order (i) the order date (ii) ship date (iii) estimated arrival date (iv) actual arrival date (v) list of products, services and maintenance items and (vi) the number and details of problem/service calls and department name that each such call pertains to (including unresolved problems). Quarterly reports must be made available to the County in electronic format, two (2) business days after the end of each quarter unless otherwise requested.

41. ACCESS TO BOOKS AND RECORDS PURSUANT TO THE SOCIAL SECURITY ACT

Access to Books and Records: If and to the extent that, Section 1861 (v) (1) (1) of the Social Security Act (42 U.S.C. Section 1395x (v) (1) (1) is applicable, Contractor shall maintain such records and provide such information to the Secretary of the Department of Health and Human Services, the Comptroller General, or any of their duly authorized representatives , and shall permit such entities and agencies, at all reasonable times upon request, to access books, records and other papers relating to the Agreement hereunder, as may be required by applicable federal, state and local laws, regulations and ordinances. Contractor agrees to retain such books, records and information for a period of at least four (4) years from and after the termination of this Agreement. Furthermore, if Contractor carries out any of its duties hereunder, with a value or cost of Ten Thousand Dollars (\$10,000) or more over a twelve (12) month period, through a subcontract with a related organization, such subcontract shall contain these same requirements. This provision shall survive the termination of this Agreement regardless of the reason for the termination.

42. COUNTY NO-SMOKING POLICY

Contractor and its employees, agents and subcontractors, shall comply with the County's No Smoking Policy, as set forth in the Board of Supervisors Policy Manual section 3.47 (as amended from time to time), which prohibits smoking: (1) at the Santa Clara Valley Medical Center Campus and all County-owned and operated health facilities, (2) within thirty (30) feet surrounding County-owned buildings and leased buildings where the County is the sole occupant, and (3) in all County vehicles.

43. FOOD AND BEVERAGE STANDARDS

Intentionally omitted.

44. DEBARMENT

Contractor represents and warrants that it, and to the best of its knowledge, its employees, contractors, subcontractors or agents performing services hereunder are not suspended, debarred, excluded, or ineligible for participation in Medicare, Medi-Cal or any other federal or state funded health care program, if applicable, or from receiving Federal funds as listed in the List of Parties Excluded from Federal Procurement or Non-procurement Programs issued by the Federal General Services Administration.

Contractor must within thirty (30) calendar days advise the County if, during the term of this Agreement, the foregoing representation and warranty becomes untrue. In such event, this Agreement will terminate immediately without penalty.

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45. CALIFORNIA PUBLIC RECORDS ACT

The County is a public agency subject to the disclosure requirements of the California Public Records Act ("CPRA"). If Contractor's proprietary information is contained in documents or information submitted to County, and Contractor claims that such information falls within one or more CPRA exemptions, Contractor must clearly mark such information "CONFIDENTIAL AND PROPRIETARY," and identify the specific lines containing the information. In the event of a request for such information, the County will make best efforts to provide notice to Contractor prior to such disclosure. If Contractor contends that any documents are exempt from the CPRA and wishes to prevent disclosure, it is required to obtain a protective order, injunctive relief or other appropriate remedy from a court of law in Santa Clara County before the County is required to respond to the CPRA request. If Contractor fails to obtain such remedy within the time the County is required to respond to the CPRA request, County may disclose the requested information.

Contractor further agrees that it shall defend, indemnify and hold County harmless against any claim, action or litigation (including but not limited to all judgments, costs, fees, and reasonable attorney's fees) that may result from denial by County of a CPRA request for information arising from any representation, or any action (or inaction), by the Contractor.

46. CONFLICT OF INTEREST; POLITICAL REFORM ACT DISCLOSURE REQUIREMENT

If applicable, Contractor shall comply with all applicable requirements governing avoidance of impermissible client conflicts; and federal, state and local conflict of interest laws and regulations including, without limitation, California Government Code section 1090 *et seq.*, the California Political Reform Act (California Government Code section 87100 *et seq.*) and the regulations of the Fair Political Practices Commission concerning disclosure and disqualification (2 California Code of Regulations section 18700 *et seq.*). Failure to comply with the requirements of the immediately preceding sentence constitutes a material breach of this Agreement and is grounds for immediate termination of this Agreement by the County.

Contractor, including but not limited to contractor's employees and subcontractors, may be subject to the disclosure and disqualification provisions of the California Political Reform Act of 1974 (the "Act"), that, if applicable, (1) requires such persons to disclose economic interests that may foreseeably be materially affected by the work performed under the Agreement, and (2) prohibits such persons from making or participating in making decisions that will foreseeably financially affect such interests. .

If the disclosure provisions of the Act are applicable to any individual providing service under the Agreement, Contractor shall, upon execution of the Agreement, provide the County with the names, description of individual duties to be performed, and email addresses of all individuals, including but not limited to Contractor's employees, agents and subcontractors, that could be substantively involved in "making a governmental decision" or "serving in a staff capacity and in that capacity participating in making governmental decisions or performing duties that would be performed by an individual in a designated position," as part of Contractor's service to the County under the Agreement. Contractor shall ensure that such individuals file Statements of Economic Interests within 30 days of commencing service under the Contract, annually by April 1, and within 30 days of their termination of service under the Contract.

47. SEVERABILITY

Should any part of this Agreement between County and the Contractor or any individual contract release purchase order be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect the validity of the remainder of the

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Agreement or any individual contract release purchase order which shall continue in full force and effect, provided that such remainder can, absent the excised portion, be reasonably interpreted to give the effect to the intentions of the parties.

48. NON-WAIVER

No waiver of a breach, failure of any condition, or any right or remedy contained in or granted by the provisions of this Agreement will be effective unless it is in writing and signed by the party possessing the right or remedy. No waiver of any breach, failure, right, or remedy will be deemed a waiver of any other breach, failure, right, or remedy, whether similar or not, nor will any waiver constitute a continuing waiver unless the writing signed by the party possessing the right or remedy so specifies.

49. USE OF NAME FOR COMMERCIAL PURPOSES; PUBLIC COMMUNICATIONS

Neither party may use the name of the other party or reference any endorsement from such other party in any fashion for any purpose, without the prior express written consent of the County as provided by the County's authorized representative, or designee. Neither party will make any press release or other public announcement regarding this Agreement or the other party or its affiliates without the other party's express prior written consent, except as required under applicable law or by any governmental agency. In these cases, the party required to make the press release or public disclosure must use commercially reasonable efforts to obtain the approval of the other party as to the form, nature and extent of the press release or public announcement before issuing it.

50. HEADINGS AND TITLES

The titles and headings in this Agreement are included principally for convenience and do not by themselves affect the construction or interpretation of any provision in this Agreement, nor affect any of the rights or obligations of the parties to this Agreement.

51. HANDWRITTEN OR TYPED WORDS

Handwritten or typed words have no greater weight than printed words in the interpretation or construction of this Agreement.

52. AMBIGUITIES

Any rule of construction to the effect that ambiguities are to be resolved against the drafting party does not apply in interpreting this Agreement.

53. ENTIRE AGREEMENT; MERGER

This Agreement and its Exhibits and Attachments (if any) constitute the final, complete and exclusive statement of the terms of the agreement between the parties. It incorporates and supersedes all the agreements, covenants and understandings between the parties concerning the subject matter hereof, and all such agreements, covenants and understandings have been merged into this Agreement. No prior or contemporaneous agreement or understanding, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this Agreement.

54. EXECUTION AND COUNTERPARTS

This Agreement may be executed in one or more counterparts, each of which will be considered an original, but all of which together will constitute one and the same instrument. The parties agree that this Agreement, its amendments, and ancillary agreements to be entered into in connection with this Agreement will be considered signed when the signature of a party is delivered a method described herein.

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Unless otherwise prohibited by law or County policy, the parties agree that an electronic copy of a signed contract, or an electronically signed contract, has the same force and legal effect as a contract executed with an original ink signature. The term “electronic copy of a signed contract” refers to a transmission by facsimile, electronic mail, or other electronic means of a copy of an original signed contract in a portable document format. The term “electronically signed contract” means a contract that is executed by applying an electronic signature using technology approved by the County.

55. NOTICES

All deliveries, notices, requests, demands or other communications provided for or required by this Agreement shall be in writing and shall be deemed to have been given when sent by registered or certified mail, return receipt requested; when sent by overnight carrier; or upon email confirmation to sender of receipt of a facsimile communication which is followed by a mailed hard copy from sender. Notices shall be addressed to the individuals identified in the Key Provisions of the Agreement as the County Contract Administrator and the Supplier Contact. Each party may designate a different person and address by sending written notice to the other party, to be effective no sooner than ten (10) days after the date of the notice.

56. ACCOUNT MANAGER

Contractor must assign an Account Manager to the County upon execution of the Agreement to facilitate the contractual relationship, be fully responsible and accountable for fulfilling the County’s requirements. Contractor represents and warrants that such person will ensure that the County receives adequate pre-sales and post-sales support, problem resolution assistance and required information on a timely basis.

57. SURVIVAL

All representations, warranties, and covenants contained in this Agreement, or in any instrument, certificate, exhibit, or other writing intended by the parties to survive this Agreement, will survive the termination of this Agreement.

58. GOVERNING LAW, JURISDICTION AND VENUE

This Agreement shall be construed and interpreted according to the laws of the State of California, excluding its conflict of law principles. Proper venue for legal actions shall be exclusively vested in state court in the County of Santa Clara. The parties agree that subject matter and personal jurisdiction are proper in state court in the County of Santa Clara, and waive all venue objections.

59. THIRD PARTY BENEFICIARIES

This Agreement does not, and is not intended to, confer any rights or remedies upon any person or entity other than the parties

60. AUTHORITY

Each party executing the Agreement on behalf of such entity represents that he or she is duly authorized to execute and deliver this Agreement on the entity’s behalf, including, as applicable, the Board of Supervisors, the Board of Directors, or Executive Director. This Agreement shall not be effective or binding unless it is in writing and approved by the County’s authorized representative, or authorized designee, as evidenced by their signature as set forth in this Agreement.

61. LIVING WAGE

Unless otherwise exempted or prohibited by law or County policy, Contractors that contract with the County to provide Direct Services, as defined in County of Santa Clara Ordinance Code

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Division B36 (“Division B36”) and Board Policy section 5.5.5.5 (“Living Wage Policy”), and their subcontractors, where the contract value is \$100,000 or more, must comply with Division B36 and the Living Wage Policy and compensate their employees in accordance with Division B36 and the Living Wage Policy. Compliance and compensation for purposes of this provision includes, but is not limited to, components relating to fair compensation, earned sick leave, paid jury duty, fair workweek, worker retention, fair chance hiring, targeted hiring, local hiring, protection from retaliation, and labor peace. If Contractor and/or a subcontractor violate this provision, the Board of Supervisors or its designee may, at its sole discretion, take responsive actions including, but not limited to, the following:

- (1) Suspend, modify, or terminate the Direct Services Contract.
- (2) Require the Contractor and/or Subcontractor to comply with an appropriate remediation plan developed by the County.
- (3) Waive all or part of Division B36 or the Living Wage Policy.

This provision shall not be construed to limit an employee's rights to bring any legal action for violation of the employee's rights under Division B36 or any other applicable law. Further, this provision does not confer any rights upon any person or entity other than the Board of Supervisors or its designee to bring any action seeking the cancellation or suspension of a County contract. By entering into this contract, Contractor agrees, to its knowledge, that it is currently complying with County Code Division B36 and the County's Living Wage Policy with respect to applicable contracts, and warrants, to its knowledge, that it will continue to comply with County Code Division B36 and the County's Living Wage Policy with respect to applicable contracts.

62. CONTRACTING PRINCIPLES

All entities that contract with the County to provide services where the contract value is \$100,000 or more per budget unit per fiscal year and/or as otherwise directed by the Board, shall be fiscally responsible entities and shall treat their employees fairly. To ensure compliance with these contracting principles, all contractors shall: (1) comply with all applicable federal, state and local rules, regulations and laws; (2) maintain financial records, and make those records maintained pursuant to the Agreement available upon the County's written request; (3) upon the County's written request, provide to the County copies of any publicly available financial filings that have been completed during the term of the Agreement; and (4) upon the County's written request, provide the County reasonable access, through representatives of the Contractor, to financial and employee records that are related to the purpose of the Agreement, except where prohibited by federal or state laws, regulations, or rules. Notwithstanding the foregoing, only one request pursuant to (2) and (4) above may occur in any given calendar year during the term of the Agreement.

63. CONTRACTOR TRAVEL EXPENSES

Contractor shall be solely responsible for any Contractor travel fees or out of pocket expenses.

64. INFORMATION SECURITY COMPLIANCE

Contractor will not have access to County information technology systems. If Contractor is granted access to County information technology systems, the parties shall memorialize that change in access via amendment to this Agreement and shall renegotiate this section as a required part of granting a change in access. Notwithstanding the first sentence of this section “Information Security Compliance,” Contractor shall do all of the following:

- (1) Maintain an information security program in accordance with Section 65 (County Data).

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- (2) Protect the confidentiality, integrity, availability of County Data.
- (3) Upon confirming any Breach that impacts the County, whether caused by Contractor, its officers, employees, contractors or agents, or others performing services hereunder, the Contractor shall notify the ISO at o365-iso-team@sccconnect.onmicrosoft.com within 72 hours. Contractor shall also comply with all of its other obligations in this Agreement relating to breaches and potential breaches.

65. COUNTY DATA

- (1) Contractor shall not acquire any ownership interest in County Data (including County Confidential Information). As between Contractor and County, all County Confidential Information and/or County Data shall remain the property of the County. Contractor shall not, without County's written permission, use or disclose County Data (including County Confidential Information) other than in the performance of its obligations under this Agreement or as required by law, subpoena, or court order.
- (2) Contractor shall be responsible for establishing and maintaining an information security program that is designed to ensure the security and confidentiality of County Data, protect against any anticipated threats or hazards to the security or integrity of County Data, and protect against unauthorized access to or use of County Data that could result in substantial harm or inconvenience to County or any end users. Upon termination or expiration of this Agreement, County shall provide to Contractor direction regarding the proper disposition of County Data.
- (3) Contractor shall take appropriate action to address any confirmed Data Breach of County Data, including addressing and/or remedying the issue that resulted in such unauthorized access, and notifying County by phone or in writing promptly within 72 hours of confirmed Data Breach. If the initial notification is by phone, Contractor shall provide a written notice within 5 days of the incident. Contractor shall be responsible for ensuring compliance by its officers, employees, agents, and subcontractors performing services hereunder with the confidentiality, privacy, and information security requirements of this Agreement. Should County Confidential Information and/or legally protected County Data be divulged to unauthorized third parties, Contractor shall comply with all applicable federal and state laws and regulations.

66. ACCESS TO COMPETITIVELY BID AGREEMENTS

Intentionally omitted.

67. COMPLIANCE WITH ALL LAWS AND REGULATIONS INCLUDING
NONDISCRIMINATION, EQUAL OPPORTUNITY, AND WAGE THEFT
PREVENTION

Contractor's violation of this provision shall be deemed a material default by Contractor, giving County a right to terminate the Agreement. Examples of such Regulations include but are not limited to California Occupational Safety and Health Act of 1973, Labor Code §6300 *et seq.* the Fair Packaging and Labeling Act. and the standards and regulations issued there under. Contractor agrees to indemnify and hold harmless the County for any loss, damage, fine, penalty, or any expense whatsoever as a result of Contractor's failure to comply with the act and any standards or regulations issued there under.

- (1) Compliance with All Laws. Contractor shall comply with all applicable Federal, State, and local laws, regulations, rules, and policies (collectively, "Laws"), including but not limited to

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the non-discrimination, equal opportunity, and wage and hour Laws referenced in the paragraphs below.

- (2) Compliance with Non-Discrimination and Equal Opportunity Laws: Contractor shall comply with all applicable Laws concerning nondiscrimination and equal opportunity in employment and contracting, including but not limited to the following: Santa Clara County's policies for contractors on nondiscrimination and equal opportunity; Title VII of the Civil Rights Act of 1964 as amended; Americans with Disabilities Act of 1990; the Age Discrimination in Employment Act of 1967; the Rehabilitation Act of 1973 (Sections 503 and 504); the Equal Pay Act of 1963; California Fair Employment and Housing Act (Government Code sections 12900 et seq.); California Labor Code sections 1101, 1102, and 1197.5; and the Genetic Information Nondiscrimination Act of 2008. In addition to the foregoing, Contractor shall not discriminate against any subcontractor, employee, or applicant for employment because of age, race, color, national origin, ancestry, religion, sex, gender identity, gender expression, sexual orientation, mental disability, physical disability, medical condition, political belief, organizational affiliation, or marital status in the recruitment, selection for training (including but not limited to apprenticeship), hiring, employment, assignment, promotion, layoff, rates of pay or other forms of compensation. Nor shall Contractor discriminate in the provision of services provided under this contract because of age, race, color, national origin, ancestry, religion, sex, gender identity, gender expression, sexual orientation, mental disability, physical disability, medical condition, political beliefs, organizational affiliations, or marital status.
- (3) Compliance with Wage and Hour Laws: Contractor shall comply with all applicable wage and hour Laws, which may include but are not limited to, the Federal Fair Labor Standards Act, the California Labor Code, and, if applicable, any local Minimum Wage, Prevailing Wage, or Living Wage laws.
- (4) Definitions: For purposes of this Section, the following definitions shall apply. A "Final Judgment, Decision, Determination, or Order" shall mean a judgment, decision, determination, or order (a) which is issued by a court of law, an investigatory government agency authorized by law to enforce an applicable Law, an arbiter, or arbitration panel and (b) for which all appeals have been exhausted or the time period to appeal has expired. For pay equity Laws, relevant investigatory government agencies include the federal Equal Employment Opportunity Commission, the California Division of Labor Standards Enforcement, and the California Department of Fair Employment and Housing. Violation of a pay equity Law shall mean unlawful discrimination in compensation on the basis of an individual's sex, gender, gender identity, gender expression, sexual orientation, race, color, ethnicity, or national origin under Title VII of the Civil Rights Act of 1964 as amended, the Equal Pay Act of 1963, California Fair Employment and Housing Act, or California Labor Code section 1197.5, as applicable. For wage and hour Laws, relevant investigatory government agencies include the federal Department of Labor, the California Division of Labor Standards Enforcement, and the City of San Jose's Office of Equality Assurance.
- (5) Prior Judgments, Decisions or Orders against Contractor: By signing this Agreement, Contractor affirms that it has disclosed any final judgments, decisions, determinations, or orders that (a) were issued in the five years prior to executing this Agreement by a court or investigatory government agency and (b) found that Contractor violated an applicable wage and hour or pay equity law. Contractor further affirms that it has satisfied and complied with – or has reached agreement with the County regarding the manner in which it will satisfy – any such final judgments, decisions, determinations, or orders.

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- (6) Violations of Wage and Hour Laws or Pay Equity Laws During Term of Agreement: If at any time during the term of this Agreement, Contractor receives a Final Judgment, Decision, Determination, or Order rendered against it for violation of an applicable wage and hour Law or pay equity Law, then Contractor shall promptly satisfy and comply with any such Final Judgment, Decision, Determination or Order. Contractor shall inform the Office of the County Executive-Office of Countywide Contracting Management (OCCM) of any relevant Final Judgment, Decision, Determination, or Order against it within 30 days of the Final Judgment, Decision, Determination, or Order becoming final or of learning of the Final Judgment, Decision, Determination, or Order, whichever is later. Contractor shall also provide any documentary evidence of compliance with the Final Judgment, Decision, Determination, or Order within 5 days of satisfying the Final Judgment, Decision, Determination, or Order. Any notice required by this paragraph shall be addressed to the Office of the County Executive-OCCM at 70 W. Hedding Street, East Wing, 11th Floor, San José, CA 95110. Notice provisions in this paragraph are separate from any other notice provisions in this Agreement and, accordingly, only notice provided to the Office of the County Executive-OCCM satisfies the notice requirements in this paragraph.
- (7) Access to Records Concerning Compliance with Pay Equity Laws: In addition to and notwithstanding any other provision of this Agreement concerning access to Contractor's records, Contractor shall permit the County and/or its authorized representatives to audit and review records related to compliance with applicable pay equity Laws. Upon the County's request, Contractor shall provide the County with access to any and all facilities and records, including but not limited to financial and employee records, that are related to the purpose of this Section, except where prohibited by federal or state laws, regulations or rules. County's access to such records and facilities shall be permitted at any time during Contractor's normal business hours upon no less than 10 business days' advance notice.
- (8) Pay Equity Notification: Contractor shall (1) directly provide each employee working in California and each person applying for a job in California with a written copy of any applicable pay equity Laws, or (2) electronically disseminate the text of applicable pay equity Laws to each California employee and job applicant, either directly or by posting a copy in conspicuous places available to employees and applicants. Such notification shall occur at least once during the term of this Agreement and, if this Agreement is a multi-year Agreement, at least annually thereafter.
- (9) Material Breach: Failure to comply with any part of this Section shall constitute a material breach of this Agreement. In the event of such a breach, the County may, in its discretion, exercise any or all remedies available under this Agreement and/or at law. County may, among other things, take any or all of the following actions:
- (i) Suspend or terminate any or all parts of this Agreement.
 - (ii) Withhold payment to Contractor until full satisfaction of a Final Judgment, Decision, Determination, or Order.
 - (iii) Offer Contractor an opportunity to cure the breach.
- (10) Subcontractors: Contractor shall impose all of the requirements set forth in this Section on any subcontractors permitted to perform work under this Agreement. This includes ensuring that any subcontractor receiving a Final Judgment, Decision, Determination, or Order for violation of an applicable wage and hour Law promptly satisfies and complies with such Final Judgment, Decision, Determination, or Order.

**EXHIBIT B
PRICE SUMMARY**

Section I - Service Fee Matrix

- A. The pricing specified in the Pricing Matrix in Section I is net of group purchasing organization administrative fees. If the applicable administrative fee is increased or if County or any Facility affiliates with a different group purchasing organization, Cardinal Health reserves the right to adjust the Pricing Matrix accordingly in the amount of the increased administrative fee. Cardinal Health will provide notice of any increases in administrative fees sixty (60) days prior to the effective date of such increases, provided that if the group purchasing organization provides notice of such increase in administrative fees less than sixty (60) days from the effective date of such increase then Cardinal Health will provide notice when Cardinal Health becomes aware of such increases from the applicable group purchasing organization.
- B. The pricing offered in the Pricing Matrix below is based on the County's current mix of product purchases.
- C. County's 340B pricing will be adjusted as follows based on County's Qualified Purchases of 340B Merchandise from Cardinal Health (as a percentage of County's total Qualified Purchases of Merchandise):

Qualified Purchases of 340B Merchandise (as a percentage of total Qualified Purchases of Merchandise)	Cost of Goods Adjustment ±(%) Rebate
90% and Greater	-1.60%
80% to 89.99%	-1.55%
70% to 79.99%	-1.50%
60% to 69.99%	-1.45%
50% to 59.99%	-1.40%
40% to 49.99%	-1.35%
30% to 39.99%	-1.30%
29.99% and Below	-1.05%

Exhibit B, Price Summary

D. *340B Products Monthly Volume Rebate.*

- a. 340B Products Monthly Volume Rebate is a monthly rebate County will be eligible to receive on County's 340B Merchandise purchases from Contractor under the Agreement during such month.
- b. During Contract Year one (1), Contract Year two (2), and Contract Year three (3), provided the County's Qualified Purchases of 340B Merchandise equal at least six million five hundred thousand dollars (\$6,500,000.00) during the applicable month, County will be eligible to receive a monthly rebate of ninety thousand dollars (\$90,000.00) on County's 340B Merchandise purchases from Contractor under the Agreement during such month. As used herein, "Contract Year" means the twelve-month period commencing as of the effective date of the Agreement, and each individual twelve (12) month period thereafter during the term of the Agreement.
- c. Beginning Contract Year four (4) and continuing through the remainder of the term of the Agreement, provided the County's Qualified Purchases of 340B Merchandise equal at least seven million seven hundred fifty thousand dollars (\$7,750,000.00) during the applicable month, County will be eligible to receive a monthly rebate of one hundred thousand dollars (\$100,000.00) on County's 340B Merchandise purchases from Contractor under the Agreement during such month.
- d. If earned, the 340B Products Monthly Volume Rebate will be paid in the form of a check, credit memo or EFT within thirty (30) days of the end of the applicable month.
- e. The 340B Products Monthly Volume Rebate constitutes a "discount or other reduction in price," as such terms are defined under the Medicare/Medicaid Anti-Kickback Statute (42 U.S.C. § 1320a-7b(b)(3)(A) and the "safe harbor" regulations regarding discounts or other reductions in price set forth in 42 C.F.R. § 1001.952(h)), on the Merchandise purchased by County under the terms of the Agreement. County may have an obligation to accurately report, under any state or federal program which provides cost or charge based reimbursement for the products or services covered by the Agreement, or as otherwise requested or required by any governmental agency, the net cost actually paid by County.

E. The cost of goods offered in the Pricing Matrix assumes electronic funds transfer (EFT) payments. However, there are no penalties if the County discontinues using EFT.

F. For purposes of this Agreement, the term "Qualified Purchases" means all purchases that County pays for under the terms this Agreement net of all returns, credits, rebates, late charges or other similar items on an annual, quarterly or monthly basis as applicable.

G. Except as otherwise described in this Agreement, County will pay a purchase price for all Merchandise purchased under this Agreement in an amount equal to the manufacturer's published wholesale acquisition cost for Merchandise at the date of Cardinal Health invoice to the Facility, adjusted to reflect any then-applicable contract pricing ("Cost") plus all applicable taxes or other assessments.

Exhibit B, Price Summary

The percentage listed in the Pricing Matrix below (the “Cost of Goods”) will be utilized to calculate additional discount. This discount will be paid to Santa Clara monthly as further set forth below.

Notwithstanding the foregoing, the Cost for certain Merchandise, including but not limited to the following items, will determined by Contractor: multisource pharmaceuticals, private label products, medical/surgical supplies, home health care/durable medical equipment, contrast media, Merchandise acquired from vendors not offering customary cash discount or other terms, and other slow moving, specially-handled, non-traditional and/or non-pharmaceutical Merchandise. Except as otherwise described in this Agreement, County may, but will have no obligation under this Agreement to, purchase any specified volume or percentage of County’s requirements of these items.

The Cost of Goods shall apply to all Merchandise purchased under this Agreement, except those items that are drop-shipped, purchased from Cardinal Health Specialty Pharmaceutical Distribution (“SPD”) or are not otherwise eligible for a Cost of Goods Discount.

As of the Effective Date, the County shall be invoiced at Cost plus 0.00%. At the end of each calendar month during the term of this Agreement, Contractor will calculate the County’s Monthly Purchases and payment terms performance for such calendar month to determine the rebate applicable to the County’s Monthly Purchases for such calendar month based on the Pricing Matrix set forth below (“Applicable Monthly Rebate”). By the fifteenth (15th) day of each calendar month, Contractor will provide the County with a report of the DSO achieved by the County during the preceding month. The reported DSO achieved is the DSO achieved by the County minus one (1) day.

Within thirty (30) days of the end of each calendar month under this Agreement, Contractor will issue a credit memo to County in an amount equal to County’s Qualified Monthly Purchases of Cost of Goods-eligible Merchandise for the applicable month (less drop-shipped items and items purchased from Cardinal Health Specialty Pharmaceutical Distribution (“SPD”), or are not otherwise eligible for a Cost of Goods Discount), multiplied by the Applicable Monthly Rebate. If no payments are received by Cardinal Health from County during a calendar month, no rebate will be payable for such calendar month. If County’s DSO exceeds the maximum DSO set forth on the Pricing Matrix, Cardinal Health reserves the right to add 3 basis points (0.03%) per each weighted average payment day beyond the payment term.

Exhibit B, Price Summary

H. Pricing Matrix

Qualified Monthly Purchases		Days Sales Outstanding (DSO)																				
Min	Max	(6.0)	(5.0)	(4.0)	(3.0)	0.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0	11.0	12.0	13.0	14.0	15.0	16.0	17.0	18.0
Below	\$ 9,999,999.99	-6.35%	-6.33%	-6.28%	-6.26%	-6.23%	-6.18%	-6.17%	-6.15%	-6.14%	-6.12%	-6.11%	-6.09%	-6.08%	-6.06%	-6.04%	-6.02%	-6.01%	-6.00%	-5.96%	-5.94%	-5.93%
\$ 10,000,000.00	\$ 10,999,999.99	-6.98%	-6.96%	-6.95%	-6.93%	-6.89%	-6.84%	-6.83%	-6.81%	-6.80%	-6.78%	-6.76%	-6.75%	-6.73%	-6.72%	-6.70%	-6.61%	-6.59%	-6.56%	-6.53%	-6.50%	-6.47%
\$ 11,000,000.00	\$ 11,999,999.99	-7.98%	-7.96%	-7.95%	-7.93%	-7.89%	-7.84%	-7.83%	-7.81%	-7.80%	-7.78%	-7.76%	-7.75%	-7.73%	-7.72%	-7.70%	-7.61%	-7.59%	-7.56%	-7.53%	-7.50%	-7.47%
\$ 12,000,000.00	\$ 12,999,999.99	-8.48%	-8.46%	-8.45%	-8.43%	-8.39%	-8.34%	-8.33%	-8.31%	-8.30%	-8.28%	-8.26%	-8.25%	-8.23%	-8.22%	-8.20%	-8.11%	-8.09%	-8.06%	-8.03%	-8.00%	-7.97%
\$ 13,000,000.00	\$ 13,999,999.99	-8.50%	-8.48%	-8.47%	-8.45%	-8.41%	-8.36%	-8.35%	-8.33%	-8.32%	-8.30%	-8.28%	-8.27%	-8.25%	-8.24%	-8.22%	-8.13%	-8.11%	-8.08%	-8.05%	-8.02%	-7.99%
\$ 14,000,000.00	\$ 14,999,999.99	-8.51%	-8.49%	-8.48%	-8.46%	-8.42%	-8.37%	-8.36%	-8.34%	-8.33%	-8.31%	-8.29%	-8.28%	-8.26%	-8.25%	-8.23%	-8.14%	-8.12%	-8.09%	-8.06%	-8.03%	-8.00%
\$ 15,000,000.00	\$ 15,999,999.99	-8.52%	-8.50%	-8.49%	-8.47%	-8.43%	-8.38%	-8.37%	-8.35%	-8.34%	-8.32%	-8.30%	-8.29%	-8.27%	-8.26%	-8.24%	-8.15%	-8.13%	-8.10%	-8.07%	-8.04%	-8.01%
\$ 16,000,000.00	\$ 16,999,999.99	-8.53%	-8.51%	-8.50%	-8.48%	-8.44%	-8.39%	-8.38%	-8.36%	-8.35%	-8.33%	-8.31%	-8.30%	-8.28%	-8.27%	-8.25%	-8.16%	-8.14%	-8.11%	-8.08%	-8.05%	-8.02%
\$ 17,000,000.00	\$ 17,999,999.99	-8.54%	-8.52%	-8.51%	-8.49%	-8.45%	-8.40%	-8.39%	-8.37%	-8.36%	-8.34%	-8.32%	-8.31%	-8.29%	-8.28%	-8.26%	-8.17%	-8.15%	-8.12%	-8.09%	-8.06%	-8.03%
\$ 18,000,000.00	\$ 18,999,999.99	-8.55%	-8.53%	-8.52%	-8.50%	-8.46%	-8.41%	-8.40%	-8.38%	-8.37%	-8.35%	-8.33%	-8.32%	-8.30%	-8.29%	-8.27%	-8.18%	-8.16%	-8.13%	-8.10%	-8.07%	-8.04%
\$ 19,000,000.00	\$ 19,999,999.99	-8.56%	-8.54%	-8.53%	-8.51%	-8.47%	-8.42%	-8.41%	-8.39%	-8.38%	-8.36%	-8.34%	-8.33%	-8.31%	-8.30%	-8.28%	-8.19%	-8.17%	-8.14%	-8.11%	-8.08%	-8.05%
\$ 20,000,000.00	Above	-8.57%	-8.55%	-8.54%	-8.52%	-8.48%	-8.43%	-8.42%	-8.40%	-8.39%	-8.37%	-8.35%	-8.34%	-8.32%	-8.31%	-8.29%	-8.20%	-8.18%	-8.15%	-8.12%	-8.09%	-8.06%

*For purposes of this Agreement “DSO” means “days sales outstanding.”

- I. The pricing set forth in this Exhibit B is conditioned on the County’s Qualified Monthly Purchases of Merchandise through the SOURCESM Program (as defined below) being equal to or exceeding six point two four percent (6.24%) of the County’s total Qualified Monthly Purchases of Merchandise each quarter, excluding drop-ship items and items purchased through Cardinal Health’s Specialty Pharmaceutical Distribution Channel (“SPD”). If this condition is not met, Cardinal Health reserves the right to adjust the County’s applicable Cost of Goods by +0.50 for each one half of one percent (0.50%) decrease from 6.24%. “SOURCESM Program” as used herein refers to a combination of Cardinal Health’s preferred generic contracting programs that primarily covers non-injectable generics.
- J. The pricing set forth in this Exhibit B is conditioned on the County’s Utilization Percentage (as defined below) for all branded Rx Products (the “Brand Rx Products”) (excluding drop shipments and any Brand Rx Products purchased through SPD) being equal to or exceeding fifty percent (50.00%). If this condition is not met, Cardinal Health reserves the right to adjust the County’s applicable Cost of Goods by six basis points (+0.06) for each one percent (1.00%) decrease from 50.00%.

Exhibit B, Price Summary

“Total Contract Cost” shall mean the County’s total cost for all Brand Rx Products (*excluding* Drop Shipments and any Brand Rx Products purchased through SPD) that are purchased under this Agreement, prior to the application of any discounts or rebates. For the sake of clarity, the parties hereby acknowledge and agree that, for purposes of calculating “Total Contract Cost,” if a Brand Rx Product is subject to a manufacturer contract, the Participating Member’s purchase price for the item under the manufacturer contract, prior to the application of any discounts or rebates, will be the price used in the calculation. However, if a Brand Rx Product is NOT subject to a manufacturer contract, the manufacturer’s published wholesale acquisition cost (“WAC”) for the item at the time of purchase by County, prior to the application of any discounts or rebates, will be the price used in the calculation.

“Total Wholesale Acquisition Cost” shall mean the total cost County would have paid for all Brand Rx Products (*excluding* Drop Shipments and any Brand Rx Products purchased through SPD) purchased under this Agreement if the County had paid the WAC at the time of purchase for each such item, prior to the application of any discounts or rebates.

“Utilization Percentage” means the percentage by which the Total Contract Cost for all Brand Rx Products (*excluding* Drop Shipments and any Brand Rx Products purchased through SPD) purchased by the County under this Agreement during the applicable period is less than the Total Wholesale Acquisition Cost. Utilization Percentage is calculated by (1) determining the difference between all Total Wholesale Acquisition Cost for the applicable period and Total Contract Cost for the applicable period, and then (2) dividing that difference by Total Wholesale Acquisition Cost for the applicable period.

K. Payment Term Options

-6.0 DSO- County will, at least five (5) business days prior to the Effective Date of this Agreement, make an advance payment to Cardinal Health in an amount equal to twenty-one (21) days’ purchases. The advance payment will be held by Cardinal Health as a deposit (the “Deposit”), and Cardinal Health will have a security interest in the Deposit to secure payment of all of County’s obligations, now existing, and arising in the future, under this Agreement. Payment of all invoices will be due in accordance with the 15.0 DSO payment term. The Deposit will be evaluated and adjusted each calendar quarter based on the average preceding three (3) months’ purchases and your payment performance based on Weighted Average Payment Days (“WAPD”). If, based on such evaluation, the Deposit is under-funded, Cardinal Health will send a statement to County requesting payment of the difference. County will, within ten (10) days of the date of such statement, pay the difference to Cardinal Health and the difference will be added to the Deposit upon receipt by Cardinal Health. If, based on such evaluation, the Deposit is over-funded, Cardinal Health will send a statement to County with payment of the difference in the form of check or credit memo as mutually determined by the parties.

-5.0 DSO- County will, at least five (5) business days prior to the Effective Date, make an advance payment to Cardinal Health in an amount equal to twenty (20) days’ purchases. The advance payment will be held by Cardinal Health as a deposit (the “Deposit”), and Cardinal Health will have a security interest in the Deposit to secure payment of all of County’s obligations, now

Exhibit B, Price Summary

existing, and arising in the future, under this Agreement. Payment of all invoices will be due in accordance with the 15.0 DSO payment term. The Deposit will be evaluated and adjusted each calendar quarter based on the average preceding three (3) months' purchases and County's payment performance based on Weighted Average Payment Days ("WAPD"). If, based on such evaluation, the Deposit is under-funded, Cardinal Health will send a statement to County requesting payment of the difference. County will, within ten (10) days of the date of such statement, pay the difference to Cardinal Health and the difference will be added to the Deposit upon receipt by Cardinal Health. If, based on such evaluation, the Deposit is over-funded, Cardinal Health will send a statement to County with payment of the difference in the form of check or credit memo as mutually determined by the parties.

-4.0 DSO- County will, at least five (5) business days prior to the Effective Date, make an advance payment to Cardinal Health in an amount equal to nineteen (19) days' purchases. The advance payment will be held by Cardinal Health as a deposit (the "Deposit"), and Cardinal Health will have a security interest in the Deposit to secure payment of all of County's obligations, now existing, and arising in the future, under this Agreement. Payment of all invoices will be due in accordance with the 15.0 DSO payment term. The Deposit will be evaluated and adjusted each calendar quarter based on the average preceding three (3) months' purchases and County's payment performance based on Weighted Average Payment Days ("WAPD"). If, based on such evaluation, the Deposit is under-funded, Cardinal Health will send a statement to County requesting payment of the difference. County will, within ten (10) days of the date of such statement, pay the difference to Cardinal Health and the difference will be added to the Deposit upon receipt by Cardinal Health. If, based on such evaluation, the Deposit is over-funded, Cardinal Health will send a statement to County with payment of the difference in the form of check or credit memo as mutually determined by the parties.

-3.0 DSO- County will, at least five (5) business days prior to the Effective Date, make an advance payment to Cardinal Health in an amount equal to eighteen (18) days' purchases. The advance payment will be held by Cardinal Health as a deposit (the "Deposit"), and Cardinal Health will have a security interest in the Deposit to secure payment of all of County's obligations, now existing, and arising in the future, under this Agreement. Payment of all invoices will be due in accordance with the 15.0 DSO payment term. The Deposit will be evaluated and adjusted each calendar quarter based on the average preceding three (3) months' purchases and County's payment performance based on Weighted Average Payment Days ("WAPD"). If, based on such evaluation, the Deposit is under-funded, Cardinal Health will send a statement to County requesting payment of the difference. County will, within ten (10) days of the date of such statement, pay the difference to Cardinal Health and the difference will be added to the Deposit upon receipt by Cardinal Health. If, based on such evaluation, the Deposit is over-funded, Cardinal Health will send a statement to County with payment of the difference in the form of check or credit memo as mutually determined by the parties.

0.0 DSO- County will, at least five (5) business days prior to the Effective Date, make an advance payment to Cardinal Health in an amount equal to fifteen (15) days' purchases. The advance payment will be held by Cardinal Health as a deposit (the "Deposit"), and Cardinal Health will have a security interest in the Deposit to secure payment of all of County's obligations, now

Exhibit B, Price Summary

existing, and arising in the future, under this Agreement. Payment of all invoices will be due in accordance with the 15.0 DSO payment term. The Deposit will be evaluated and adjusted each calendar quarter based on the average preceding three (3) months' purchases and County's payment performance based on Weighted Average Payment Days ("WAPD"). If, based on such evaluation, the Deposit is under-funded, Cardinal Health will send a statement to County requesting payment of the difference. County will, within ten (10) days of the date of such statement, pay the difference to Cardinal Health and the difference will be added to the Deposit upon receipt by Cardinal Health. If, based on such evaluation, the Deposit is over-funded, Cardinal Health will send a statement to County with payment of the difference in the form of check or credit memo as mutually determined by the parties.

3 DSO - Payment of each invoice is due in full within three (3) days of the invoice date.

4 DSO - Payment of each invoice is due in full within four (4) days of the invoice date.

5 DSO - Payment of each invoice is due in full within five (5) days of the invoice date.

6 DSO - Payment of each invoice is due in full within six (6) days of the invoice date.

7 DSO - Payment of each invoice is due in full within seven (7) days of the invoice date.

8 DSO - Payment of each invoice is due in full within eight (8) days of the invoice date.

9 DSO - Payment of each invoice is due in full within nine (9) days of the invoice date.

10 DSO - Payment of each invoice is due in full within ten (10) days of the invoice date.

11 DSO - Payment of each invoice is due in full within eleven (11) days of the invoice date.

12 DSO - Payment of each invoice is due in full within twelve (12) days of the invoice date.

13 DSO - Payment of each invoice is due in full within thirteen (13) days of the invoice date.

14 DSO - Payment of each invoice is due in full within fourteen (14) days of the invoice date.

15 DSO - Payment of each invoice is due in full within fifteen (15) days of the invoice date.

16 DSO - Payment of each invoice is due in full within sixteen (16) days of the invoice date.

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17 DSO - Payment of each invoice is due in full within seventeen (17) days of the invoice date.

18 DSO - Payment of each invoice is due in full within eighteen (18) days of the invoice date.

L. Monthly Volume Rebate

- a. Provided the County's Qualified Purchases of Merchandise equal at least Ten Million Eight Hundred Thirty Five Thousand Dollars (\$10,835,000.00) during the applicable month, County will be eligible to receive a monthly rebate of \$16,667.00 on County's total Merchandise purchases from Contractor under the Agreement during such month.
- b. If earned, the Monthly Volume Rebate will be paid in the form of a check, credit memo or EFT within thirty (30) days of the end of each month during the term of the Agreement.
- c. The Monthly Volume Rebate constitutes a "discount or other reduction in price," as such terms are defined under the Medicare/Medicaid Anti-Kickback Statute (42 U.S.C. § 1320a-7b(b)(3)(A) and the "safe harbor" regulations regarding discounts or other reductions in price set forth in 42 C.F.R. § 1001.952(h)), on the Merchandise purchased by County under the terms of the Agreement. County may have an obligation to accurately report, under any state or federal program which provides cost or charge based reimbursement for the products or services covered by the Agreement, or as otherwise requested or required by any governmental agency, the net cost actually paid by County.

M. Contractor will provide to County a credit if Contractor performance service level does not meet with the standards and procedures specified in Exhibit C, Cardinal Health Performance Service Level. Such credit shall be County's sole remedy for Contractor's failure to meet the adjusted service level requirements set forth in this Agreement and will be payable in the form of a credit memo within thirty (30) days of the end of the applicable month.

N. Cardinal Health offers ten (10) free emergency deliveries per month for non-SPD and non-340B products at no additional charge to CSCHS.

O. Cardinal Health will provide County access to Cardinal Health's online, full suite Advanced Reporting System for up to three (3) users. The value of such access, Ninety Nine Dollars (\$99.00) per month per user, constitutes a "discount or other reduction in price," as such terms are defined under the Medicare/Medicaid Anti-Kickback Statute (42 U.S.C. § 1320a-7b(b)(3)(A) and the "safe harbor" regulations regarding discounts or other reductions in price set forth in 42 C.F.R. § 1001.952(h)) on the Merchandise purchased by County under the terms of the Agreement. In this regard, County may have an obligation to accurately report, under any state or federal program which provides cost or charge-based reimbursement for the products or services covered by the Agreement, or as otherwise requested or required by any governmental agency, the net cost actually paid by County.

Exhibit B, Price Summary

- P. If County receives any “discounts or other reductions in price” from Contractor, County and Contractor will comply with any and all requirements imposed on buyers and sellers, respectively, under 42 U.S.C. § 1320a-7b(b)(3)(A) and the "safe harbor" regulations regarding discounts or other reductions in price set forth in 42 C.F.R. § 1001.952(h). In this regard, County may have an obligation to disclose the discounts or reductions in price under any state or federal program which provides cost or charge-based reimbursement to County for the products or services County purchases from Contractor, or as otherwise requested or required by any governmental agency. Contractor must fully and accurately report such discount or reduction in price on the invoice, coupon or statement submitted County, inform County in a manner that is reasonably calculated to give notice to County of its obligation to report such discount or reduction in price and to provide information upon request, and refrain from doing anything that would impede County from meeting its obligations under the foregoing statute. In addition, if the value of the discount or reduction in price is not known at the time of sale, Contractor must, when the value of the discount or reduction in price becomes known, provide County with documentation of the calculation of the discount or reduction in price identifying the specific goods purchased to which the discount or reduction in price will be applied and refrain from doing anything that would impede County from meeting its obligations under the foregoing statute.

EXHIBIT C CARDINAL HEALTH PERFORMANCE SERVICE LEVEL

Section I: Performance Service Level

1.1 Raw and Adjusted Fill Rates will be individually calculated on a monthly basis for each of Facility' account(s) (including 340B accounts) serviced by Cardinal. Contractor will provide a 99% adjusted fill rate within 24 hours and a 99.0% adjusted fill rate within 72 hours as determined on a line item basis for all drugs used by a Facility calculated on a monthly basis.

1.2 Picking Fill Rate, Tote Picking Fill Rate, and Raw Fill Rate will be individually calculated on a monthly basis for each CSCHS account (s) serviced by Cardinal Health. Cardinal Health shall provide 99.0% adjusted picking fill rate for the County in aggregate (see detail below).

1.3 Should the aggregate adjusted average monthly service level below ninety-four point nine percent (94.9%), Cardinal Health shall provide to County a credit in an amount equal to 1% of the CSCHS Purchases of Merchandise the month in which the adjusted service level was not met. Such credit shall be County's sole remedy for Contractor's failure to meet the adjusted service level requirements set forth in this Agreement and will be payable in the form of a credit memo within thirty (30) days of the end of the applicable month.

1.4 Service Level Calculation

1.4.1 Raw Fill Rates will be calculated by dividing the number of lines delivered by the number of lines ordered.

1.4.2 Raw Fill Rate = Number of lines Delivered divided by Number of lines Ordered

1.4.3 Adjusted Fill Rates will be calculated by dividing the number of lines delivered by the number of lines ordered minus the number of manufacturer backorder (MBO) lines and all other exclusions outlines in 1.5.

1.4.4 Adjusted Fill Rate = Number of lines Delivered divided by Number of lines Ordered - MBO lines and all other exclusions outlined in 1.5.

1.5 For purposes of this Agreement, the performance service level percentage will be calculated by dividing total lines of Merchandise shipped in accordance herein, by the number of lines of Merchandise ordered. The following items will be excluded from the performance service level calculation:

- Manufacturer back orders;
- Non-stock and/or discontinued items due to non-movement or discontinuation by manufacturer; and
- Merchandise shipped within two (2) working days of initial order for those products not available from the Facility's primary distribution center or handled as an inter-divisional transfer, including those filled by an affiliate of Contractor, which will instead be counted as a line filled.
- Items where a CSCHS facility has failed to provide accurate usage figures;
- Items where historical demand is exceeded by 125% over the preceding two months; and
- Same item ordered more than once within three (3) days.

Exhibit C, Cardinal Health Performance Service Level

Service level data is calculated, reported, and shared on a monthly basis for Santa Clara.

- 1.5.1 The performance service level for County added to this Agreement after the Commencement Date will commence thirty (30) days following receipt by Cardinal of accurate usage data. This will allow Contractor to gain usage information and adjust inventory levels appropriately.
- 1.5.2 Upon County's request, if Cardinal does not meet its performance service level for any quarter, Cardinal and County will jointly develop a performance service level action plan for the following quarter. During the implementation of the performance service level action plan, County may not terminate this Agreement for cause, unless Cardinal fails to make prompt good faith efforts to comply with the performance service level action plan. County may then, upon written notice, treat the failure to make prompt good faith efforts to comply with the performance service level action plan as a material breach.
- 1.5.3 If Contractor stocks Merchandise (subject to the terms and conditions of this Agreement) that Contractor would not otherwise stock but for County's or any Facility's request ("Specially Stocked Merchandise"), County and Contractor agree that, prior to substituting other Merchandise in place of such Specially Stocked Merchandise, and upon termination or expiration of this Agreement for any reason, Contractor will supply and County will accept and purchase the remaining Specially Stocked Merchandise pursuant to the terms of this Agreement until the Specially Stocked Merchandise is depleted. Contractor will, during the Quarterly Business Review, provide County with a list of any Specially Stocked Merchandise and applicable inventory levels of such Specially Stocked Merchandise.
- 1.5.4 Tote Picking Fill Rates will be calculated by dividing the number of units picked to fill order divided by the number of units ordered confirmed.
- 1.5.5 Picking Fill Rate = Number of Units Picked to Fill Order divided by Number of Units Ordered.

Exhibit D, Disaster Preparedness Program

EXHIBIT D DISASTER PREPAREDNESS PROGRAM

Contractor shall support County of Santa Clara's Santa Clara Health System (CSCHS) Disaster Preparedness program as set forth herein. County will order and store at its Facilities the key pharmaceuticals set forth below ("Key Pharmaceuticals") for availability in the event of a natural disaster. From time to time, these Key Pharmaceuticals will expire and must be replaced. Contractor's Returns Policy shall apply to the return of all Key Pharmaceuticals, except as set forth below:

Contractor shall give CSCHS one hundred percent (100%) credit from original invoice price paid by CSCHS for all Key Pharmaceuticals returned to Contractor in accordance with the terms hereof, except as further set forth below.

CSCHS will work with Contractor to procure Key Pharmaceuticals that are able to be returned to the applicable manufacturer; provided, however, if a manufacturer changes its returns policy, Contractor reserves the right to provide no credit to CSCHS for returns of such manufacturer's Key Pharmaceuticals.

In order to receive credit, Key Pharmaceuticals must be returned unopened and undamaged within 12 months of purchase and must be accompanied by a valid original Contractor invoice.

Returns made greater than 12 months from the invoice date will not be accepted. No credit will be issued, and the product will be returned to CSCHS.

To help facilitate product returns within 12 months from the invoice date, Contractor will track the purchase date of Key Pharmaceuticals purchased and provide e-mail notification to CSCHS pharmacy purchasing management one (1) month prior to the expiration of the 12 month return window for each Key Pharmaceutical purchased.

CSCHS purchase of replacement Key Pharmaceuticals shall be at the pricing in effect at the time of such replacement purchase.

This program shall only apply to the Key Pharmaceuticals purchased for purposes of CSCHS Disaster Preparedness program (i.e., not routine purchases for day to day use).

Disaster Preparedness Pharmaceuticals

Cardinal Health shall accept returns at full credit at the cost of time the order was placed as long as it is returned within 6 months of expiration.

The Key Pharmaceuticals are as follows. Except to the extent of any supply shortage due to Force Majeure or any supplier issue, and to the extent Cardinal Health distributes such Merchandise in Cardinal Health's normal course of business for the same class of trade, Cardinal Health shall use commercially reasonable efforts to maintain in inventory the medications listed below, upon request by CSCHS.

Exhibit D, Disaster Preparedness Program

Item Number	Name of Medication	Qty (Each)
A-1	Albuterol HFA 90mcg aero inh	555
A-2	Ciprofloxacin 500mg tabs C/Bt	2688
A-3	Doxycycline 100mg cap D/Bt	1498
A-4	Fluticasone aero 110mcg 13gm	166
A-5	Oseltamivir phosphate 75mg cap	1695
A-6	Cefdinir 300mg tablet	355
A-7	Ceftriaxone Sodium 1g/vial	1047

Pharmaceuticals above are subject to change if mutually agreed upon by County and Cardinal Health, subject to manufacturer allocation.

EXHIBIT E
CARDINAL HEALTH RETURNED GOODS POLICY AND RETURNED GOODS
AUTHORIZATION ONGOING ASSURANCE

Products in “merchantable condition” (as defined below) and originally purchased from Cardinal Health may generally be returned to the customer’s servicing Cardinal Health distribution center in accordance with, and subject to, the terms and conditions of this policy.

Return Made Within	Normal Credit Amount
1 - 90 Calendar Days from Invoice Date	100% of original invoice amount paid by customer. However, if applicable mark-up is greater than 0%, credit will be based on customer’s contract cost or Cardinal Health’s then-current base cost, as applicable.
91 – 120 Calendar Days from Invoice Date	90% of original invoice amount paid by customer. However, if applicable mark-up is greater than 0%, credit will be based on customer’s contract cost or Cardinal Health’s then-current base cost, as applicable.
More than 121 Calendar Days from Invoice Date	75% of original invoice amount paid by customer. However, if applicable mark-up is greater than 0%, credit will be based on customer’s contract cost or Cardinal Health’s then-current base cost, as applicable.

“*Merchantable condition*” will be determined by Cardinal Health based upon its ability to return the product to its inventory for resale in the normal course of its business, without special preparation, testing, handling, or expense and will exclude the following:

Any product purchased from any supplier other than Cardinal Health.

Any product which has been used or opened; is a partial dispensing unit or unit of sale; is without all original packaging, labeling, inserts, or operating manuals; or that is marked, damaged, defaced, or otherwise cannot readily be resold by Cardinal Health for any reason.

Short-dated (less than seven (7) months expiration dating), outdated, or seasonal products and products purchased on a “special order” basis, including non-stock and drop-shipped products.

Any product not intended for return to a wholesaler in accordance with the return policies of the applicable manufacturer.

Any product listed by any state or federal regulatory agency as a high-risk pedigree item that is returned without a valid invoice number that cannot otherwise be verified by Cardinal Health.

Unmerchantable Products

Any product not eligible for return in accordance with this policy (i.e., the product is not in “merchantable condition” as set forth above) will require return directly to the manufacturer. If any such products are returned to Cardinal Health, they will be returned to customer and no credit will be issued.

Notwithstanding the foregoing, in any case where Cardinal Health accepts the return of such products and agrees to return such products to the applicable manufacturer on behalf of

Exhibit E, Cardinal Health Returned Goods Policy and Returned Goods Authorization Ongoing Assurance

customer (provided the manufacturer allows the return of such products), any credit issued to customer will be determined by Cardinal Health.

Required Return Documentation

Prior to returning any product to Cardinal Health, customer must execute and deliver to “Cardinal Health a Cardinal Health Returned Goods Authorization Ongoing Assurance” verifying that all returned products have been kept under proper conditions for storage, handling, and shipping.

All requests for credit must be submitted via EOE, Cardinal.com, CardinalCHOICE®, or approved EDI interface.

A fully completed and signed Merchandise Return Authorization Form (the “MRA Form”) must accompany all products to be returned. Note: An MRA Form cannot be fully completed without a valid invoice number. The request for an MRA Form will be rejected if a valid invoice number is not provided.

Third Party Return Processors

At the request of customer, Cardinal Health will work with third party return processors for returns of unmerchantable products. Such arrangement will be subject to mutually agreed upon terms and conditions, to include administrative fees payable to Cardinal Health.

Controlled Substances

Credit for the return of controlled substances requires a separate MRA Form and such returns must comply with all applicable laws, rules and regulations in addition to the terms and conditions of this policy.

Refrigerated, Chemotherapy and Hazardous Products

Refrigerated, chemotherapy and hazardous products must be returned in packaging that complies with applicable regulatory requirements. All such products that are not returned in packaging that complies with applicable regulatory requirements will be considered damaged and unsaleable. This product will be destroyed and no credit will be issued to customer.

Shorts and Damaged Products

Claims of order shortages (e.g., products invoiced but not received), filling errors and damage must be reported within three (3) business days from the applicable invoice date, or no credit will be issued. Returns of damaged products or products shipped in error must be received by the Cardinal Health servicing distribution center within ten (10) business days from the applicable invoice date, or no credit will be issued. Controlled substance shortage claims must be reported immediately per DEA requirements. In all instances, credit will not be issued until verification of the claim by Cardinal Health.

No deductions may be taken by customer until a valid credit memo is issued by Cardinal Health.

Shipping of Return Products

Products to be returned must be placed in a proper shipping container and signed for by the driver when picked up.

Signed MRA Forms shall be included in totes with the returned products. Only one (1) MRA Form shall be included in each tote.

Exhibit E, Cardinal Health Returned Goods Policy and Returned Goods Authorization Ongoing Assurance

If the MRA Form is not signed, no credit will be issued, and the products will be returned to the customer.

If the MRA Form is not inside the tote with the returned products, Cardinal Health will attempt to identify the customer that returned the products. The tote will then be returned to the customer with a request for a completed MRA Form(s).

No credit will be issued for products returned but not listed on the accompanying MRA Form. Such products will be returned to the customer.

All MRA Forms will be reviewed by Cardinal Health for compliance with this policy. The acceptability and valuation of any return is at the sole discretion of Cardinal Health.

Products must be returned to the customer's servicing Cardinal Health distribution center within thirty (30) days from the date of customer's request for an MRA Form, or no credit will be issued.

In addition to the requirements set forth in this policy, Customer shall comply with all return procedures required by the Cardinal Health servicing distribution center.

Other Restrictions

This Return policy is subject to change without notice by Cardinal Health. This policy is further subject to modification as may be deemed necessary or appropriate by Cardinal Health to comply with applicable federal and/or state regulations, FDA guidelines, state law, and other restrictions applicable to returned products.

Other Requirements

Cardinal agrees CSCHS's minimum requirements for returned goods as follows. There will be no associated fees for the following returns:

Products returned due to Contractor error (e.g., incorrect item or quantity).

Products received through Contractor with visible or concealed damages.

Recalled products, regardless of level of recall.

Products received through Contractor that have less than six (6) months shelf-life dating at the time of receipt from the Proposer, unless otherwise authorized by CSCHS.

Recalls

The Cardinal Health Corporate Quality and Regulatory Affairs department initiates recalls and provides information to Cardinal DCs. DCs must quarantine affected product and return per the supplier's instructions. Customer notifications are sent to affected customers with the appropriate return instruction per the supplier's instructions.

Cardinal Health's online recall notification system allows for customers to receive an email notice at the same time Cardinal Health initiates the event, which stops the dispensing of recalled products sooner and increases patient safety. It eliminates the need to sign and return a paper copy of the notice by allowing for online receipt acknowledgement and provides access to a personalized history of events affecting the customer facilities.

Cardinal Health sends the recall notices as soon as the recall event is active. Cardinal will generally contact every customer who purchased the effected product/lot number regardless of contract expiration, but Cardinal will not send recall notices to customers who are not Cardinal customers and who did not purchase the product from us.

Exhibit E, Cardinal Health Returned Goods Policy and Returned Goods Authorization Ongoing Assurance

Other Restrictions

This immediately preceding section (“Recalls”) is subject to modification as may be reasonably deemed necessary or by Cardinal Health to comply with applicable federal and/or state regulations, FDA guidelines, state law, and other restrictions applicable to returned merchandise.

Exhibit F, Insurance Requirements

**EXHIBIT F
INSURANCE REQUIREMENTS**

Insurance

Without limiting the Contractor's indemnification of the County, the Contractor shall provide and maintain at its own expense, during the term of this Agreement, or as may be further required herein, the following insurance coverages and provisions:

A. Evidence of Coverage

Prior to commencement of this Agreement, the Contractor shall provide a Certificate of Insurance evidencing the coverage required herein has been obtained.

This evidence of coverage shall be sent to the requesting County department, unless otherwise directed. The Contractor shall not receive a Notice to Proceed with the work under the Agreement until it has obtained all insurance required and such insurance has been approved by the County. This approval of insurance shall neither relieve nor decrease the liability of the Contractor.

B. Qualifying Insurers

All coverages, except surety, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than A- V, according to the current Best's Key Rating Guide or a company of equal financial stability that is approved by the County's Insurance Manager.

C. Notice of Cancellation

Should any of the required insurance be canceled or non-renewed, Contractor will endeavor to provide 30 days' prior written notice of such cancellation or non-renewal being delivered to the County of Santa Clara or their designated agent.

D. Insurance Required

1. Commercial General Liability Insurance - for bodily injury (including death) and property damage which provides limits as follows:
 - a. Each occurrence - \$1,000,000
 - b. General aggregate - \$2,000,000
 - c. Personal Injury - \$1,000,000

2. General liability coverage shall include:
 - a. Premises and Operations
 - b. Personal Injury liability

3. Products/Completed Operations - \$1,000,000 per occurrence/\$2,000,000 aggregate

Exhibit F, Insurance Requirements

General liability coverage shall include the following:

To the extent that the Contractor is not self-insured for Commercial General Liability and Products and Completed Operations Liability, County of Santa Clara and members of the Board of Supervisors of the County of Santa Clara, its officers, agents and employees will be named as additional insureds in such insurance policies and such additional insured coverage will only apply to the additional insureds' liability for damages caused by the acts of omissions of the Contractor in performance of this Agreement. The Contractor's insurance shall be primary and non-contributing to insurance maintained by the County of Santa Clara. Such additional insured status will end upon the termination or expiration of this Agreement. The parties hereby acknowledge and agree that Contractor may self-insure all or a portion of the required insurance, and to the extent that Contractor 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 the insurance requirements. Further, no insurance coverage maintained by Contractor, whether self-insurance or otherwise, will be construed to expand any indemnification obligations that may be contained in this agreement, nor will additional insured status be granted on those self-insured policies.

4. Workers' Compensation and Employer's Liability Insurance
 - a. Statutory California Workers' Compensation coverage including broad form all-states coverage.
 - b. Employer's Liability coverage for not less than one million dollars (\$1,000,000) per occurrence.

E. Special Provisions

The following provisions shall apply to this Agreement:

1. The foregoing requirements as to the types and limits of insurance coverage to be maintained by the Contractor and any approval of said insurance by the County or its insurance consultant(s) are not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Contractor pursuant to this Agreement, including but not limited to the provisions concerning indemnification.
2. The County acknowledges that some insurance requirements contained in this Agreement may be fulfilled by self-insurance on the part of the Contractor. However, this shall not in any way limit liabilities assumed by the Contractor under this Agreement.
3. Should any of the work under this Agreement be sublet, the Contractor shall require each of its subcontractors of any tier to carry the aforementioned coverages, or Contractor may insure subcontractors under its own policies.
4. The County reserves the right to withhold payments to the Contractor in the event of material noncompliance with the insurance requirements outlined above.

EXHIBIT G STATEMENT OF WORK

A. INVENTORY MANAGEMENT

Cardinal Health shall maintain distribution agreements with all the major manufacturers of pharmaceutical products necessary for CSCHS. Cardinal Health has distribution agreements with all the major manufacturers of pharmaceutical products sold in the U.S. as medications. Cardinal Health works closely with the manufacturers to be sure Cardinal Health can supply Santa Clara County with the medications needed for County patients. Cardinal have been providing critical medications to Santa Clara County residents for 30 years. Some manufacturers will retain the right to distribute product themselves and not go through wholesalers, but Cardinal Health works to arrange for the purchases of these products via a dropship order with the manufacturer wherever possible. This allows for the billing to continue coming through Cardinal Health, thus providing simpler payment processing and reporting analysis for the County.

Cardinal Health shall maintain an inventory of CSCHS-contract items sufficient to meet the needs of the CSCHS by using Cardinal's automatic inventory tracking system, SCORE, which continuously monitors inventory levels and customer usage changes between distribution centers in order to maximize customer service levels. In the event that a product is out of stock, Cardinal ordering system will present a list of potential product alternatives. Cardinal Health shall monitor usage during the term of the agreement, i.e., the interpretation of the CSCHS usage data to assure that sufficient inventories are available to supply the average monthly usage requirements of CSCHS.

Cardinal Health shall accommodate CSCHS for addressing a special request purchases, such as large quantities of identical lot numbers or other unusual purchases. CSCHS must call or email Cardinal Health Primary Point of Contact or the inventory analyst and request the order. The customer service contact and inventory analyst must work together with the manufacturer to procure the product as requested by CSCHS. Once the order arrives at the Elk Grove Distribution Center the shipment to CSCHS is coordinated with the delivery service to ship to order in full to CSCHS.

Cardinal Health shall hold par levels sufficient to cover spikes in demand that do occasionally occur for unanticipated increases. However for large orders as described in 1.4 above, CSCHS (the best approach) is to contact customer service to coordinate with Cardinal Health's inventory team to quickly bring in added quantities to meet the increase in demand for a short-term spike or for the long-term if you expect the usage to remain much higher (over 150%) of your normal usage. If for some reason a short occurs, upon request, the inventory analyst will work to secure product from the manufacturer on an emergency basis or bring in product from another Cardinal Health Distribution Center within 48 hours of the original order so that Santa Clara has the product within 72 hours of the original order.

Cardinal Health shall also perform custom reporting and analysis for Santa Clara County to help handle the unanticipated spikes in orders.

Discontinuing CSCHS contract products from distribution center inventories for non-movement: Cardinal Health shall normally discontinue items with usage of less than three (3) purchases per month or six (6) months of no purchases are discontinued at the division. However, Cardinal Health can protect key items identified by the County to not be discontinued. For items that are discontinued Cardinal Health can typically bring in discontinued product within 72 hours from

Exhibit G, Statement of Work

other distribution centers within the Cardinal Health network to meet the needs of the County. The inventory analyst and customer service person will work closely with CSCHS staff to get the products needed.

Adding Contract Product(s) to Inventory

At the primary distribution center for previously existing items not in the Sacramento/Elk Grove Distribution Center CSCHS can contact customer service and Cardinal Health shall work with CSCHS to bring the product to the Distribution Center within five business days on average. Cardinal Health will stock a product at a local DC if usage is at least 3 units per month at that DC. For new to market products (i.e. newly released generics) the product is available the same day the product is officially launched/released by the manufacturer.

Items with usage of less than three (3) purchases per month or six (6) months of no purchases are discontinued at the division. However, Cardinal Health shall protect key items identified by the County to not be discontinued. For items that are discontinued, Cardinal Health can bring in discontinued product within 72 hours from other distribution centers within Cardinal Health's network to meet the needs of the County. The inventory analyst and customer service person will work closely with CSCHS staff to procure the products needed.

B. STOCK OUTS

Cardinal Health will notify (e.g., during ordering, on the order confirmation report, etc.) the County of any ordered item that is a Stock Out. The order confirmation provided immediately after the order is placed notifies CSCHS of product availability including if the item is out of stock. The County can also review the real-time inventory availability in the Order Express ordering system prior to placing the order.

Cardinal Health's process for securing and providing CSCHS contract products in the event a distribution facility is out of inventory of a product that is not on manufacturer backorder (MBO). If an item is temporarily out at the distribution facility Cardinal Health shall identify when the next shipment is due in (if greater than 1 day) an emergency order is placed with the manufacturer or an interdivision transfer from one of the other five distribution centers in the west to secure the product.

Cardinal Health inventory analyst shall review any temp outs for CSCHS daily and makes adjustments to Cardinal Health supply in order to avoid future temp out situations.

Cardinal Health shall, upon request, contact an alternative distribution center and arrange to have any Stock Outs shipped from the alternate distribution center, at no additional charge, Cardinal Health shall have inventory analyst who reviews the orders from CSCHS and facilitates allocating product from other distribution centers or from the manufacturer for the County as appropriate. Cardinal Health has an inventory analyst who works daily to secure the product from other distribution centers or from the manufacturer for the CSCHS. The turnaround time is 48-72 hours for the product to be shipped to CSCHS. Cardinal Health will focus on a first pass service level whereby CSCHS can get orders filled within 24 hours from the primary distribution center.

Cardinal Health shall be held responsible for stock outages for items where CSCHS has product movement history or has supplied estimated usage in a timely manner. If Cardinal Health fails to make prompt shipment of CSCHS contract products due to their related stock outages other than MBOs, CSCHS may purchase an alternate equivalent (generic) substitute product (either from Cardinal Health or on the open market) for the period in which Cardinal Health is unable to provide the product.

Exhibit G, Statement of Work

This shall be in effect for 90 days from the date Cardinal Health is first unable to supply the product to CSCHS. Cardinal Health shall not withhold the information necessary for CSCHS to make this type of claim. CSCHS retains the right to investigate the situation to determine the cause and responsibility of the stock outage.

If Cardinal Health is ever out of the preferred contract products due to a temp out (not a MBO) Cardinal Health shall work to provide the product within 24 – 72 hours.

C. MANUFACTURER BACKORDERS (MBO)

The County will be notified of any MBO when ordering, and will be prompted with the stock status of the item within the ordering screen in Order Express. The stock status is updated throughout the day to stay as close to real time as possible. Customer Service can also provide information on manufacturer back orders if an order is called in for some reason. The order confirmation shall notify the County if an item is on manufacturer back order status.

If County wants a validation of an item identified as a MBO, County will contact the Cardinal Health customer service person who can then make contact with the manufacturer on behalf of CSCHS to confirm the MBO situation.

Cardinal Health shall, upon request, allocate MBO's (based off purchase history in combination and the amount being allocated from the manufacturer) from an alternative distribution center and arrange to have any MBO's shipped from the alternate distribution center, at no additional charge, for regular scheduled delivery from the primary distribution center. Cardinal Health shall have an inventory analyst who works daily to secure the product from other distribution centers or from the manufacturer for the County. The turnaround time is 48 – 72 hours for the product to be shipped to CSCHS, if there are no manufacturer or supplier inventory issues.

Cardinal Health shall focus on a first pass service level whereby CSCHS is able to get orders filled within 24 hours from the primary distribution center.

Cardinal Health shall have a stock status alert in Order Express for products that have an availability alert. An availability alert means that manufacturer has notified a Cardinal Health expeditor Cardinal Health order was not filled due to a backorder situation.

Product Expiration Dating: Cardinal Health will make every effort to provide, at a minimum, expiration dating of all products delivered with a minimum shelf life of six (6) months expiration dating remaining upon delivery to CSCHS. Shipment of product with expiration dating of less than six (6) months requires the prior approval of CSCHS before release and delivery of the order.

Should the manufacturer's best dating available be less than six months Cardinal Health shall contact the County and seek approval prior to purchase.

D. MANAGEMENT OF CSCHS PRODUCTS

Cardinal Health shall assist CSCHS and/or the GPO/Direct Contracts in resolving contract pricing, etc. errors by manufacturers.

When contracts and contract updates are received after their effective date due to a late supplier notification, Cardinal Health proactively processes credits and rebills through the timeframe accepted by each manufacturer. We regularly process credits and rebills within 3–5 business days of the notification of the discrepancy to CSCHS.

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Price Loading: Cardinal Health shall be responsible for monitoring CSCHS' Contract Updates (e.g., price changes, product additions/deletions, contract extensions, contract expirations, NDC changes, etc.) as supplied by CSCHS and by the GPO/Direct Contracts. Product/pricing updates will be sent to CSCHS at a minimum on a daily basis.

Cardinal Health provides CSCHS with a daily price change file that captures manufacturer price increases and decreases via email. These reports include the effective dates of price changes. Product price changes are also noted with a "+/- " indicator on the invoice.

Cardinal Health shall load contract maintenance events upon notification of changes from the Supplier. Notifications from the County and/or GPO result in an outbound call to the supplier for pricing verification.

Price Discrepancies: In the event that CSCHS discovers and then notifies Cardinal Health of an indisputable pricing discrepancy, Cardinal Health shall provide immediate notification of manufacturer pricing notice to Cardinal Health at minimum of 30 days.

Price changes are shown in Order Express real-time for the buyers to see. This is our written notification. The invoice price will match the pricing seen in Order Express. Our pricing/contract team loads contract pricing throughout the day as the updates come in from the GPOs and manufacturers.

If CSCHS identifies a pricing discrepancy, Cardinal Health will confirm with the supplier that the supplier will honor the pricing. Once Cardinal Health receives supplier documentation approval, Cardinal Health will update the pricing accordingly and process any applicable credit/rebills. Pricing updates occur real-time and credit/rebills are processed daily.

Any credit rebills will be honored back the date of the price change. Cardinal Health notifies purchasers of the actual price at the time of purchase on the ordering platform and with an order confirmation. The invoices also contain a + notice showing pricing increases. If there is a price change that was done in error Cardinal Health works with the manufacturers to complete a credit and rebill transaction to correct the pricing error wherever possible.

Cardinal Health shall identify contract price changes and must be reflected on all invoices within five (5) business days of receipt. Cardinal Health shall have a mechanism in place to review the time frame from the start date of the new contract price to the date the price change is entered into Cardinal Health's system, and be capable of adjusting invoice charges incurred by CSCHS pharmacies beyond the (5) business days period. Contract price changes are noted on each invoice with a + on the far right of the invoice. If a price is not correct the credit and rebill process is pursued to make the correction.

Product Additions/Deletions

Cardinal Health shall notify CSCHS of the availability of new products (e.g., a new product comes on the market, an existing product goes generic).

Cardinal Health shall inform the CSCHS pharmacy purchasing team about new generic product launches. Additionally, all new generic items are listed on the Order Express home page. County may also use the First Script program, where participants are shipped an automatic order of newly launched generics as soon as they are available. To help insure we have adequate supply of newly launched generics, our product sourcing team works with generic vendors to supply our DC's with product to be ready for the launch.

Cardinal Health shall ensure adequate inventory is maintained when one contract product is replaced by another contract product due to the action of a trading partner (Manufacturer, GPO,

Exhibit G, Statement of Work

or CSCHS), including both database revisions (e.g., a change in the NDC number) and actual contract product conversions.

Cardinal Health uses an internal reporting and forecasting tool to anticipate the shift in demand from one contract product to another when changes are made by GPOs and manufacturers. The anticipated shifted demand is ordered at least three weeks before the contract change is expected so that we procure sufficient inventory of the newly contracted item by the start date. If CSCHS is making a change in a contract or primary item for a specific project we ask for a notification from CSCHS of the change at least two to three weeks in advance so we can procure new or additional inventory.

Should CSCHS make a change in a contract or primary item for projects like the unification program, Cardinal Health shall provide to the County a listing of the items that are being changed.

County will make reasonable efforts to give Cardinal Health two to three weeks' notice to make the change.

Cardinal Health shall not revise CSCHS Contract Database or remove any CSCHS contract products from its database without prior notification to CSCHS. Weekly contract product add and deletion notices are sent to the County.

All notices received from manufacturers regarding price changes for products on CSCHS contracts shall be forwarded within three business days to CSCHS for review. Weekly contract price change reports are sent to the County.

Should the County want an item to be added to the Cardinal Health inventory at the distribution center, County will notify Cardinal Health of the item (providing CIN # or NDC # and the expected monthly usage of the item). Cardinal Health shall then work with their inventory analyst to bring in the contract product. For a contract item that is active within Cardinal Health (meaning Cardinal Health has a Distribution Service Agreement in place with the product manufacturer) the newly requested item will be loaded, stocked and available for shipment to CSCHS within ten calendar days.

Cardinal Health shall follow a procedure that will immediately alert CSCHS when a contract product that was MBO or otherwise unavailable is back in stock, so that CSCHS can elect to discontinue purchasing the replacement item in order to return to purchasing the original item.

E. ORDERING EQUIPMENT

Ordering System. Cardinal Health shall utilize their online ordering platform Order Express, which is real time access through the internet.

Other Ordering Tools:
Cardinal Health Mobile App

Cardinal Health's procedure for communicating and providing updates or systems changes and training on any changes shall be through the County's Cardinal Health Representative. Cardinal Health Representatives shall meet weekly with CSCHS pharmacy purchasing staff and provide necessary training on any new enhancements or updates in the ordering system. Scheduled maintenance of Order Express is typically performed without downtime. This ensures Order Express enhancements are properly applied. Maintenance windows typically occur

Exhibit G, Statement of Work

Saturday evenings after 8:00 PM through Sunday morning. All Order Express maintenance takes place during this scheduled weekend maintenance window; however, system maintenance is not necessarily performed every weekend. Notification of downtime is communicated in advance of scheduled maintenance. Customers can contact their Sales Consultant or Customer Service at (800) 926- 3161 to place orders in the rare event that online ordering is unavailable due to planned or unplanned system downtime.

System for Data Backups

Cardinal Health's data for online Order Express ordering system shall be backed up throughout the day and have redundant systems to make sure that if one part of ordering system goes down the data is not lost and another part of the system can be brought up.

Data Exchange: Cardinal Health shall utilize their EDI interface group to do data exchanges. Cardinal Health has standard interfaces built with Willow Epic and is ready to install those interfaces for customers as a standard EDI. Currently Cardinal Health provides these files for CSCHS.

Cardinal Health shall has standard interfaces built with Swisslog for their BoxPicker system and is ready to install those interfaces for customers as a standard EDI.

Computer systems requirements/EDI

All of the EDI transaction sets listed herein shall be in place and ready to use by CSCHS

Transaction Set	Direction
810 – Invoice to Customer	Outbound
850 – Purchase Order	Inbound
855 – Purchase Order Confirmation	/Outbound
856 – Shipment Notice/Manifest-PROPOSER	/Outbound
816 Remittance Advise	Inbound
820 – Payment (EFT)/Remit Advice	Inbound
832 – Price Sales Catalog	Outbound

Training orientation and training program by Cardinal Health with furnished equipment and automated ordering systems using the minimum training requirements for CSCHS listed below.

- Proper use of order entry devices including computer and handheld units
- How to access and interpret Contractor's inventory status Order placement process (product inquiry, placement, order edit, print back confirmation, etc.)
- Any required ordering system maintenance
- Downloading price changes
- Performing file maintenance
- Requesting or printing bar code labels
- Download/Run/Print/Export contractually required reports
- Identifying CSCHS contract products
- Any other commercially available training in use of the equipment or ancillary items
- Contact information in case of questions regarding ordering
- Training guides or manuals and system operating manuals, accessible on line (including all updates), for all equipment and software furnished by the Contractor to each individual ordering facility
- Assigning of account login IDs and passwords
- Item Return Processing Training

Exhibit G, Statement of Work

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

Order Express Emergency Ordering will be available if Order Express is not available. Using the emergency ordering site is simple. Products can be entered or scanned into the system to create an order to ensure items can be received by CSCHS on-time.

For 24 hours per day 7 days a week technical support of all ordering systems, customers can call 1.800.326.6457. There is no charge for technical support of our ordering system. If CSCHS is unable to place an order in the system, please call Customer Service to place the order at 800.926.3161 from 4:00AM – 8:00PM Pacific time, and 877.772.0346 for after-hours assistance.

F. LABEL AND MARKING

Cardinal Health can supply bar coded shelf labels for CSCHS. Some fields may be customized based on your requirements. We can print and deliver the shelf labels on the next delivery, or CSCHS can print them as needed through Order Express.

Cardinal Health can print the labels at Cardinal Health Distribution Center, or the labels can be printed at any CSCHS location via Order Express.

Cardinal Health shall have a “C” on the shelf label indicating that item is on a contract.

G. ORDER PLACEMENT

Cardinal Health shall provide an ordering method that allows the facility to quickly and accurately order CSCHS contract products, within the technological capabilities of CSCHS. Orders can be made via fax, phone, email, and online. Although all of these are available, Cardinal Health’s Order Express ordering platform is the most efficient use for ordering CSCHS.

Cardinal Health’s ordering systems can provide the following functionalities:

- Clearly identify all CSCHS contract products and whether these products are in stock
- Build and place electronic orders
- Review pending orders for correctness and contract compliance
- Provide online allocation of ordered amounts
- Receive order confirmation report
- Order Express displays a product’s stock status using intuitive stop-light color indicators:
- Green - in stock
- Red - out-of-stock
- Yellow - less than one day inventory.

The system promotes contract compliance by displaying contract priority, alias, and color codes as well as alerts in the Opportunity Analysis section of Analyze Order.

Order Discrepancies: Should an order discrepancy occur, CSCHS staff will call or email Cardinal Health’s Customer Service and report the discrepancy. Cardinal Health Customer Service then helps the pharmacy staff with a Merchandise Return Authorization (if applicable) to help in the process of tracking and securing appropriate credit for the County. Once an item is returned and research is completed a credit will be issued as described herein.

Cardinal Health’s online ordering system shall have the ability to display the following information, Data Fields:

- CSCHS’ facility name
- Contractor assigned account number
- Product Name

Exhibit G, Statement of Work

- Contractor'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
- Orange Book Rating
- Universal Product Number (UPN), where applicable
- Universal Product Code (UPC), where applicable
- Product Control Schedule (e.g., CII)
- DEA number (where applicable)
- HIN number (where applicable)
- Type of contract – contract identification or code that identifies product as a locally negotiated CSCHS contract product, Vizient contract product, non-contract, 340B, or alternate contract product
- Contract price (specific to the pricing and contract eligibility of each customer).
- Product denoted as available as a Drop Shipment
- Product inventory status (e.g., stocked, unavailable due to MBO, Contractor 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

Controlled substances (e.g., CII) and drop shipments are identified in Cardinal Health's ordering screen. Controlled substance and drop ship orders are broken out into separate tabs in the ordering platform. There are no additional fees assessed for CII.

Cardinal Health's Account Manager shall provide generic SOURCESM Program compliance reporting on a quarterly basis to the County. Order Express promotes contract compliance by displaying contract priority, alias, and color codes as well as alerts in the Opportunity Analysis section of Analyze Order. The system also communicates generic alternatives and alternatives that are on a preferred contract or at a lower price. Order Express can communicate a product's substitute at the time of product search. Availability is clearly displayed through intuitive stock status indicators.

In the event of any backorder situation, Cardinal Health's backorder and "Kill/Fill" policies: If there is a backorder the backorder can be placed automatically within Cardinal Health's warehouse system so that when the backorder from the manufacturer is received into stock the backorder for CSCHS is filled. Or if CSCHS prefers the order is killed if it is not available. If the order is not filled and killed and no automatic backorder is in place, the CSCHS r then contacts Cardinal Health and places a backorder request for the item if they want a backorder on file for when the product is received at the distribution center.

Order Express provides the user with the option to select products to not substitute. CII backorders stay in the system for 60 days, other products stay in the system for 120 days.

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If an item is temporarily out of stock at Cardinal Health's distribution warehouse, the inventory analyst looks to see if delivery of the product is due in on the next day's shipment.

Manufacturer long term backorder

For long term backorders, Cardinal Health shall exhaust all the measures as previously described for temp outs, and short-term manufacturer backorders. Once it is clear no product is available, the customer service contact for CSCHS tracks a daily list of items that are on long term backorder to see if there is any change in status. The customer service person provides weekly MBO updates with updated estimated time status from contacts made with the manufacturers.

The Cardinal Health sales consultant also provides a weekly Service Flash report every Friday via email with MBO updates.

Cardinal Health shall work with CSCHS staff to identify acceptable alternatives and bring in supply of the alternative products to help meet the medication needs of County residents.

Recalls

Cardinal Health shall use an electronic recall notification system. The electronic process notifies each customer that has purchased the recalled item within the specified time period. The recall notification provides all of the information required by the appropriate governmental agency such as NDC and lot number. All recall notices are subject to Cardinal Health being notified by the applicable manufacturer of any such recall. There is also a paper copy included with the invoices. The recall department regularly monitors the FDA for recalls and market withdrawals.

Allocations

Cardinal Health shall ensure equitable allocation of inventory when supply or market changes result in either low availability or an increase in demand for certain products. In working with Cardinal Health supply partners, should it be determined that the above market conditions exist, Cardinal Health may activate and apply an allocation plan that will limit the amount of product that each customer may purchase based off of a historical average. This inventory system is called Dynamic Allocation and is based on real time inventory levels. Cardinal Health dynamic allocation considers a customer's average monthly usage (based on the last six (6) months), the items within the product family (Generic Code Number), and the current inventory available to determine an allocation amount. The system will automatically allocate product to customers based on these two factors, with the intent to provide to the County a fair share of product.

Discontinued Products

When trying to place an order on a discontinued item through Order Express, the order screen will display an alert that shows the product is discontinued. If the order is submitted via EDI or another interface, the invoice will show that the items have been discontinued. Omit code 5 is for a manufacturer discontinuation and omit code 6 shows that the division has discontinued. If CSCHS needs a product that has been discontinued by the Distribution center CSCHS can request from Cardinal Health to procure the necessary product for CSCHS from another distribution center. This can typically be done within five business days.

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Partial Fills

If CSCHS has only part of an order filled if the account is set up on auto backorder the unfilled part of the order is set up in Cardinal Health backorder system so that when the product is received the order is filled and shipped to CSCHS.

If the CSCHS account is not on auto backorder the order is killed and the CSCHS contacts Cardinal Health customer service to request that a backorder be placed.

Maximum inventory allocation reached and Cardinal Health shall apply a fair share allocation program that is typically set at 150% of actual monthly usage. If CSCHS needs more product than what they are allocated under an allocation situation, Cardinal Health Representative can override the allocation (within reason) to help get CSCHS the necessary ordered goods.

Confirmation Printback/Order Confirmation: All orders processed through the electronic ordering system shall receive a confirmation printback or order confirmation generated from Cardinal Health's system and sent to CSCHS.

Order Express sends an order confirmation immediately once the order is placed. The PMM order confirmation EDI file is also sent back into PMM from Order Express. This process all usually happens within minutes of the order (or less).

The Order confirmation shall reflect the total line item cost of CSCHS' special order.

Controlled Substances Ordering System

- Paper Method

For CSCHS pharmacies electing to use the paper DEA 222 Form, completed forms will be picked up by the courier and delivered back to the servicing Cardinal Health distribution center. Schedule II orders will be delivered within two (2) business days of the servicing distribution center's receipt of the signed DEA 222 form. All Schedule II orders must be in compliance with DEA regulations.

There are no extra charges for controlled substances. As long as the shipment is made by the order cut off time, it will be delivered in the next morning order. Controlled item shall be shipped in red totes. The Totes shall be sealed with ties to ensure that the tote has not been tampered with. Items must be checked and signed off by CSCHS authorized receivers before the courier can leave, all done so in compliance with DEA requirements.

- Electronic Method

Cardinal Health shall offer to the County CSOS Anywhere.

CSOS certificates contain the same identification information as the DEA Form 222, which allows for timely and accurate validation by Cardinal Health. Faster transactions allow for just-in-time ordering and smaller inventories.

With CSOS Anywhere CSCHS' controlled substance order is shipped with the rest of the original order.

No additional shipping charges.

Technical Support for Ordering

For technical support of all ordering systems, the County can call 1-800-326-6457. This is available 24-hours per day 7-days per week.

Cardinal Health shall have the ability to work with CSCHS' automated dispensing cabinet (ADC) vendor to provide pharmaceuticals for specific ADC by location. This shall be done so by using Cardinal Health's CardinalASSIST automated logistical process.

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Automatic Substitution will only be permitted upon specific notification by the County.

Whenever Cardinal Health shall implement the Automatic Substitution process, CSCHS must first provide prior approval, CSCHS must be notified of the substitution, and the substituted item must be annotated as such on CSCHS' order confirmation.

Cardinal Health's system shall have the capability to allow each CSCHS account as it identifies its own back orders to designate its own automatic substitutions.

Cardinal Health shall maintain an adequate inventory of the alternate product resulting from Automatic Substitution. There will be no special requirement to purchase the alternate product.

Special Orders

Several CSCHS accounts are eligible for the federal 340B Drug Pricing Program. Cardinal Health shall stipulate, and maintain throughout this entire duration of this agreement that they are authorized, or otherwise in good standing, to distribute products covered by the 340B Drug Pricing Program to CSCHS that are eligible for the 340B program.

Cardinal Health shall administer contract pricing for CSCHS from multiple sources (be it contracts individually negotiated by the CSCHS with specific manufacturers, 340B contract pricing, 340B sub-ceiling pricing with groups such as TACHC or 340B PVP, etc.) Cardinal Health shall set up multiple accounts for CSCHS to separate the contracts as required and also to be compliant with 340B regulations.

Cardinal Health shall allow the County to make large, one-time purchases that are inconsistent with historical ordering patterns, e.g., for disaster preparedness. Cardinal Health customer service and account manager shall work swiftly to arrange for CSCHS to receive large one-time purchases (such as the penny buy opportunities). If there is no back order, Cardinal Health shall secure the product within 3 to 5 business days depending on where the manufacturer's Distribution facility is located.

If for any reason the product has to be returned, if the manufacturer will honor a return. Cardinal Health shall work with the County to identify manufacturers who are willing to typically accept return if needed. The manufacturer may have a restocking fee. If so the restocking fee would be passed on to the County.

H. DELIVERY

Cardinal Health shall provide deliveries to the locations detailed herein. Additional facilities may be added to the Agreement via amendment.

County facilities receiving two deliveries daily shall receive one delivery in the morning between 7:30 and 9:30 a.m. and one delivery in the afternoon between 2:00 and 3:00 p.m., and those locations receiving one delivery on a weekday or Saturday shall receive delivery between 7:30 and 10:00 a.m.

For next day morning deliveries, the order cut off time is 7:00 p.m. For same day afternoon deliveries, the order cut off time is 10:00 a.m.

All shipments made by Cardinal Health shall be F.O.B. destination, freight prepaid.

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All items ordered shall be packaged, marked and delivered to the authorized delivery point requested in the order. Ordered items shall be packaged in such a way as to secure items from breakage and pilferage.

Damaged Products Discovery

CSCHS should inform Cardinal Health Customer Service of lost or damaged product within three (3) business days.

County staff can also create an MRA (merchandise return authorization) on Order Express and return the damaged items to the courier for credit.

Cardinal Health shall make weekly visits to the County to review any discrepancy's that have arisen and to follow up with the Cardinal Health staff to ensure appropriate action is being taken (and for credit). The Cardinal Health Sales Consultant will also continue keeping a log of the progress of each discrepancy and give updates to the Santa Clara management.

In the event a routine scheduled delivery is not expected to be delivered to CSCHS on time (e.g., a courtesy phone call). Cardinal Health shall alert the customer with a courtesy call and also inform the customer with an email. Cardinal Health shall also provide the contracted courier with a phone number to call at CSCHS to advise CSCHS directly if the delivery will be delayed.

Cardinal Health shall provide all routine deliveries at no charge with no minimum order fees. County shall receive no restocking fee for any incorrect deliveries (deliveries attempted during County holidays) or missing deliveries (orders not delivered upon return of business).

Cardinal Health shall provide all routine deliveries without requiring a minimum order quantity (unit volume requirement or dollar volume requirement).

Fees for additional deliveries required on non-scheduled delivery days, e.g., Saturday, Sunday, or a holiday: Any non-scheduled delivery fees are only a pass along of the actual cost of the delivery as billed by the courier service providing the delivery. The cost is provided to CSCHS at the time of delivery. Cardinal Health shall provide a twenty-four (24) hour, seven (7) day per week emergency delivery service.

The County is eligible to receive up to ten (10) total emergency deliveries per month at no additional charge. If County needs more than ten (10) emergency deliveries per month, Cardinal Health shall charge the actual cost of delivery and provide courier invoice to the County.

Cardinal Health Holiday/Closure Schedule

Cardinal Health shall communicate holiday schedules by emails from the designated Customer Service Representative and the Sales Consultant, and by sending tote stuffer notices to each location with the delivery paperwork. The holiday schedule reminders typically go out 2 weeks before the holiday.

Cardinal Health takes six official company holidays: Martin Luther King Jr. Day (always the third Monday in Jan.), Memorial Day (always the last Monday in May), Labor Day (always the first Monday in Sept), Thanksgiving (always the fourth Thursday in Nov), Fourth of July, Christmas Day, New Years. If the Fourth of July holiday, Christmas and New Year's land on a Saturday, then the DC will be closed on Friday. If the Fourth of July, Christmas and New Year's land on a Sunday, then the DC will be closed on Monday.

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In addition to the holiday schedule above, Cardinal Health performs company inventory days twice a year. These inventory days are typically scheduled for the second weekend of April and October, with advanced notification sent to CSCHS.

All products are delivered at once except for drop ship orders which come separately from the manufacturers. Cardinal Health has a compliance officer and courier manager who work closely with the contracted courier service to make sure they are fully compliant with all regulations to correctly and safely complete each delivery.

Delivery Tote Consolidation

CSCHS can have all accounts shipped to one (1) location. Courier will stack/sort totes and boxes by route and stop number listed on manifest.

At the County's option, Cardinal Health shall provide handheld mobile devices (for an additional fee) to assist the County to compare what is invoiced against actual shipped.

Drop Ship

Cardinal Health shall expedite and simplify the ordering and payment of drop shipped products. Unless approved by the County, drop shipments directly from product suppliers for recurring orders are prohibited.

Drop ship items shall be ordered through Cardinal Health by phone. Cardinal Health shall place the drop ship order with the manufacturer on the same day that the order was given by the County. Depending on the manufacturer's cut off time, shipping schedules, etc., drop ship orders are usually received within three (3) to five (5) business days. Drop ship orders may also be placed via email to customer service or via Order Express.

In the event a drop shipment is required by the Offeror to meet an CSCHS' order for a quantity of CSCHS contract products because the quantity requested exceeds the Offeror's inventory, there will be no additional charges for the drop shipment.

Freight charges are an unknown factor when placing a drop ship order, whether it is by phone, fax, or email. Until the product is actually shipped by Cardinal Health, Cardinal Health does not have visibility as to potential shipping fees. Prior to final order placement, Cardinal Health shall communicate and get CSCHS' approval for actual freight fees as applied may be applicable.

Delivery for Special Products

Special Products are those orders/items outside the routine delivery method of the PPD requiring special handling. Examples of these products could include: biological products, vaccines, controlled substances, etc. Please describe the following in detail:

Cardinal Health shall appropriately ship pharmaceuticals that have temperature restrictions, both refrigerated and frozen in such that the goods are protected and in a usable manner upon arriving per manufacturer specifications.

Cardinal Health shall not use temperature monitors for shipping temperature sensitive products. Cardinal Health shall use specialized ice packs and refrigerated coolers at no cost to the County.

Cardinal Health shall clearly identify any products that would be considered outside the routine delivery method and therefore considered Specialty Products. Large categories of products should be broken out so that CSCHS can easily identify which products require special handling. Chemo items are shipped in totes with chemo labels applied to the outside. Flammable hazardous items are shipped in red totes and can be identified by the picking zone HZ, cases are zones HC, IC). Controlled substances are picked separately, and totes are cloaked for security. Narcotic signature form is provided with invoice packet.

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Cardinal Health can handle most products types in the normal course of business. If Santa Clara begins purchasing large volume IV's through the Pharmacy Distribution channel versus through Med Surg, the large volume IV's would be will be considered as Specialty Products because of their size and extra handling requirements. For large volume IV's the only additional fees would be for the exact cost of any additional delivery charges incurred by Cardinal Health to secure vehicles large enough to handle the delivery.

County reserves the right to reject any shipment in the event the product(s) have not been adequately packaged.

Controlled substances (e.g., will controlled substances be packaged separately from the rest of the delivery order) shall be packaged in accordance with current DEA requirements.

Delivery of Bulky Items: Bulky items are those products that may be exceptionally cumbersome to deliver. Examples of these products may include cases of nutritional products, IV fluids, etc.

Large categories of products should be broken out so that CSCHS can easily identify which products are considered bulky items.

In the event that CSCHS approves Cardinal Health's request to have bulky items drop shipped, Cardinal Health shall provide an email to CSCHS providing the information needed, including the manufacturer.

I. INVOICING

Order Invoice and Payment. Offeror 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. An invoice must have the following detail:

- CSCHS Facility Name
- Offeror-assigned account number for CSCHS
- Invoice number
- Invoice line number
- CSCHS' purchase order number
- Invoice date
- Offeror'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 (locally negotiated CSCHS-contracted purchase, other contract purchase (e.g., 340B, GPO contract, off-contract purchase)
- Service fee per line item
- Note: A service fee will only apply if a manufacturer charges for a drop-ship item.
- Bill to name/address

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- Ship to name/address
- Applicable omit codes (e.g., manufacturer backorder, wholesaler temporarily out, manufacturer discontinued, etc.)
- *Cash discounts must be indicated on each invoice as a written statement (e.g., “Terms: 1 percent 20 days” or “Cash Discount: 1 percent 20 days”) Note: This can be added to each invoice.

Cardinal Health shall, upon request by the County, customize the invoice and what types of modifications would be available at no cost to CSCHS.

Each omit code that may be used by Cardinal Health:

- Mfr Backorder,
- Warehouse Out
- Manufacturer Out
- Not stocked
- Mfr Discontinued
- Warehouse Discontinued
- Drug Recall
- New Item/Stock Unveil
- Restricted item

Invoice Rounding shall be done to the hundredth of a cent (two digits after decimal), and shall occur at the line item level.

J. CREDITS

Once funds are cleared by the CSCHS’ banking system and once they are received by Cardinal Health, the funds are applied to the account the same day they are received so that proper credit is given.

Cardinal Health shall perform an audit one month prior to June 30 to ensure that all outstanding credits have been applied to the appropriate accounts. Additionally, at that time, Cardinal Health shall expedite the resolution of any items in dispute.

Cardinal Health shall issue a credit memo to the County identifying any amount due to the County resulting from an order placed under this contract (i.e., refunds of overcharges, return of defective goods and cancellation of order after payment has been made to contractor, etc.) In the event that County purchases are insufficient to offset the amount of any credit memo within (45) days of the issuance of the credit memo, contractor shall issue a refund to the County.

Credits shall be issued daily Monday – Friday. No Saturday or Sunday returns are processed. Credits shall be made available (and for viewing) to CSCHS on-line, with the option to print a hard copy.

Cardinal Health shall conduct an audit of the disputed amount to determine the level of overcharge/undercharge three (3) business days. Once this has been completed, a credit shall be immediately issued, if warranted.

Credits are valid indefinitely and may be cashed out.

Manufacturer credits shall be handled upon receipt from the manufacturer, credit is typically processed within 1-2 business days. The manufacturer credit memo is referenced on the Cardinal Health credit memo for CSCHS to backtrack on credits.

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Cardinal Health shall send out manufacturer recall credits to the County as the recall notices are received by the manufacturers. Credit is issued when the recalled product is received by Cardinal Health. Cardinal Health does not accept returns of partial units unless the product is part of a manufacturer recall. In these instances, the recall notice will indicate whether the manufacturer is willing to accept a return of partial units. In this case, credit is issued on the partial unit as opposed to the full unit cost.

Cardinal Health credit memo shall contain, and clearly identified as such:

- Original purchase order
- Original Offeror invoice number
- Original order date
- Itemized listing of the product(s) affected
- Any rebill associated with the credit
- The reason(s) for the credit (e.g., manufacturer credit, merchandise return, etc.).
- Net credit amount available to CSCHS.

Rebills

Cardinal Health has the ability to process credit/rebills up to 13 months from the original invoice date; however, each manufacturer/supplier may have unique timeframes for which they will honor Credit/Rebills, regardless of cause. If a supplier will allow credit beyond 13 months, Cardinal Health shall pass along this credit upon receipt of funds from the supplier. As required by GPO contract language, Cardinal Health shall adhere to GPO guidelines for processing credit/rebills.

Cardinal Health shall process credits/rebills on a daily basis. As issues are identified Cardinal Health make every attempt to resolve right away. Cardinal Health feel this ongoing strategy will allow for all credits and rebills to be completed for CSCHS prior to the end of the fiscal year.

Cardinal Health rebill memo shall specifically include:

- Original purchase order
- Original Offeror invoice number
- Original order date
- Itemized listing of the product(s) affected
- Credit memo associated with the rebill
- All rebill invoices, including rebill invoices, CSCHS is able to obtain online.

Cardinal Health shall process credits/rebills on a daily basis. All credits and rebills to be completed by Cardinal Health prior to the end of the fiscal year, June 30th of each year. Credits and rebills are processed on an ongoing basis as the need arises and they are completed as quickly as possible. The focus is to avoid credit and rebills by working with the County and manufacturers to have high first-time pricing accuracy rates.

K. CHARGEBACK DENIALS

Cardinal Health shall be required to work the CSCHS for chargeback denials.

Cardinal Health shall work with the CSCHS' group purchasing organization regarding chargeback programs.

Cardinal Health shall ensure chargebacks are reconciled within six months of purchase.

Cardinal Health shall notify the County within two days turnaround after confirmation of valid chargeback denial from supplier.

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L. TECHNOLOGY

340B Compliance Software (Talyst), Boxpicker and EPIC® Compatibility. Cardinal Health shall provide support for all major third-party/split billing software solutions to support and integrates Cardinal Health customers' 340B purchase practices into the standard Supply Chain workflow. Cardinal Health also has standard interfaces built with all leading 340B Compliance Software companies.

Cardinal Health shall interface with EPIC, including but not limited to workflow, Willow Outpatient, and compatibility with 340B Compliance softwares, Boxpicker and EPIC: Standard EDI 850 purchase order document for EPIC and Swisslog BoxPicker. Provide a standard EDI 855 or 856 order confirmation for EPIC and Swisslog BoxPicker.

Box Picker

Implementation

Cardinal Health shall assist CSCHS with transitioning to Boxpicker's system for areas as needed. (Note: implementation phases and identifying the products and ordering are yet to be determined.)

Cardinal Health shall support the following EDI communication methods

AS2

SFTP

VAN

E-mail

Ecommerce platform file imports and exports using the Cardinal Health online ordering platform.

810 EDI Invoices

Cardinal Health shall provide 810 EDI invoices to CSCHS.

Invoice Audits

Cardinal Health shall audit the integrity of all contracted products purchased in Cardinal Health's system. Contract product and pricing audit reports shall be run and verified against the documentation submitted from the manufacturers. Contract pricing above wholesale acquisition cost is also indicated on the audit report and reviewed for unit of measure issues. County Contract Management has extensive quality controls in place to ensure accuracy of the contract price entered.

Cardinal Health shall work with suppliers to submit all contract product and pricing electronically. An automated system will accept the manufacturer documentation electronically and compare against the contract system. If the price was loaded after the effective date of contract, credits and rebills are processed if customers are due additional credit. All purchases are audited for contract compliance with full visibility at the time of order.

Cardinal Health shall also perform a manual price audit using independent data, upon request by CSCHS.

If a discrepancy is noted by a third party, and it is verified by the manufacturer, Cardinal Health shall adjust the price accordingly and issue credit. Full pricing audits are limited to once a year.

Cardinal Health (within Order Express) shall have a non-Cardinal Health field available to help CSCHS track non-Cardinal Health product purchases.

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M. PAYMENT

CSCHS will utilize an established electronic fund transfer (EFT) payment requirement.

Emergency Order, Placement and Delivery

During normal business hours contact customer service (Latoya Anderson) at 800-926-3161. After normal business hours use the emergency number to contact Cardinal Health at 877-772-0346.

In the event CSCHS needs an emergency order filled during non-business hours the person placing the order should call the Cardinal Health emergency hotline at 877-772-0346. The operator will answer and have someone from Cardinal Health contact the person placing the order within 30 minutes. If no one calls back for some reason the person placing the order can call the other contacts listed on Cardinal Health emergency contact sheets provided to CSCHS staff. The list includes cell phones of Division management and staff who can make sure an order is processed for the County.

Cardinal Health emergency services shall be available 24 hours a day, 7 days a week. An emergency call list for each distribution center shall be provided to each CSCHS facility.

Cardinal Health response time for confirmation of emergency order shall be within 30 minutes. Orders can typically be delivered from Elk Grove to CSCHS within five hours of the order being placed. This can depend on the scope of the emergency and the ability to navigate roads. Cardinal Health has a contract with a helicopter service to carry goods in case roads are not passable.

Cardinal Health will update the emergency contact information on a monthly basis. Normally there are not many changes to the emergency contact information so a monthly update to catch any changes should be sufficient.

N. DELIVERY LOCATIONS

Pharmacy	Facility Delivery Schedule and Frequency	Delivery Time
SCVMC In-Patient Pharmacy (IP) 751 S Bascom Ave, San Jose, CA 95128	2 deliveries per day M-F	M-F, by 7:30 a.m. & by 2:30 p.m., Saturday, 8:30 a.m.
O'Connor Hospital 2105 Forest Ave, San Jose, CA 95128	2 deliveries per day M-F	M-F, by 8:00 a.m. & by 2:30 p.m., Saturday, 8:30 a.m.
Saint Louise Regional Hospital 9400 No Name Uno, Gilroy, CA 95020	2 deliveries per day M-F	M-F, by 8:00 a.m. & by 2:30 p.m., Saturday, 8:30 a.m.
SCVMC Discharge Pharmacy 751 S. Bascom Ave. San Jose, CA 95128	2 deliveries per day M-F	M-F, during operational hours and by 9:15 a.m. & by 2:30 p.m. Saturday, 9:15 a.m.
SCVMC Outpatient Pharmacy (OPD) 751 S. Bascom Ave. Suite 1Q120A San Jose, CA 95128	2 deliveries per day M-F	M-F, during operational hours and by 9:15 a.m. & by 2:30 p.m. Saturday, 9:15 a.m.

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Pharmacy	Facility Delivery Schedule and Frequency	Delivery Time
MRSD (Materials Receiving & Supply Dept.) 751 S Bascom Ave, San Jose, CA 95128	1 delivery per day	M-F, by 8:00 a.m.
SCVMC Lab 751 S Bascom Ave, San Jose, CA 95128	1 delivery per day	M-F, by 7:30 a.m.
SCVMC Med Dietary 751 S Bascom Ave, San Jose, CA 95128	1 delivery per day	M-F, by 7:30 a.m.
SCVMC Diagnostic Imaging 751 S Bascom Ave, San Jose, CA 95128	1 delivery per day	M-F, by 8:00 a.m.
VHC at Bascom Pharmacy (VHC) 750 S. Bascom Ave., San Jose, CA 95128	2 deliveries per day M-F	M-F, during operational hours and by 8:00 a.m. & by 2:30 p.m. Saturday, 9:30 a.m.
SCVHHC Refill Center Pharmacy (RC) 871 Enborg Ct., San Jose, CA 95128	2 deliveries per day M-F	M-F, during operational hours and by 8:00 a.m. & by 2:00p.m. Saturday and Sunday, 8:00 a.m.
Enborg Lane Pharmacy (ELP) 2221 Enborg Ln., San Jose, CA 95128	2 deliveries per day M-F	M-F, during operational hours and by 9:15 a.m. & by 2:30 p.m. Saturday, 9:15 a.m.
VHC at Tully Pharmacy (TUL) 500 Tully Rd., San Jose, CA 95111	2 deliveries per day M-F	M-F, during operational hours and by 9:15 a.m. & by 2:30 p.m. Saturday, 10:45 a.m.
VHC at Moorpark Pharmacy (MPK) 2400 Moorpark Ave. Suite 101 San Jose, CA 95128	2 deliveries per day M-F	M-F, during opening hours and by 9:15 a.m. & by 2:30 p.m. Saturday, 9:15 a.m.
VHC at Milpitas Pharmacy (SIL) 143 N Main St. Milpitas, CA 95035	2 deliveries per day M-F	M-F, during operational hours and by 9:15 a.m. & by 2:30 p.m. Saturday, 9:15 a.m.
VHC at East Valley Pharmacy (EVC) 1993 McKee Rd., San Jose, CA 95116	2 deliveries per day M-F	M-F, during operational hours and by 9:15 a.m. & by 2:30 p.m. Saturday, 9:15 a.m.
VHC at Lenzen Pharmacy (PH) 976 Lenzen Ave. San Jose, CA 95126	2 deliveries per day M-F	M-F, during operational hours and by 9:15 a.m. & by 2:30 p.m. Saturday, 9:15 a.m.
VHC at Sunnyvale Pharmacy 660 S Fair Oaks Suite 1057 Sunnyvale, CA 94088	2 deliveries per day M-F	M-F, during operational hours and by 9:15 a.m. & by 2:30 p.m. Saturday, 9:15 a.m.
VHC at Gilroy Pharmacy (GIL) 7475 Camino Arroyo Suite 1025 Gilroy, CA 95020	2 deliveries per day M-F	M-F, during operational hours and by 9:15 a.m. & by 2:30 p.m. Saturday, 9:15 a.m.
VHC at Downtown Pharmacy (DTN) 777 E. Santa Clara St. San Jose, CA 95112	2 deliveries per day M-F	M-F, during operational hours and by 9:15 a.m. & by 2:30 p.m. Saturday, 9:15 a.m.
Pharmacy Purchasing 871 Enborg Lane, Unit 200 San Jose, CA 95128	2 deliveries per day M-F	M-F, during operational hours and by 8:30 a.m. & by 2:30 p.m.

Exhibit G, Statement of Work

Pharmacy	Facility Delivery Schedule and Frequency	Delivery Time
VSC Oncology Pharmacy 751 S. Bascom Ave. Suite BQ115 San Jose, CA 95128	2 deliveries per day M-F	M-F, during operational hours and by 9:15 a.m. & by 2:30 p.m., Saturday, 9:15 a.m.
O'Connor Outpatient Pharmacy 2101 Forest Ave., Suite 122 San Jose, CA 95128	2 deliveries per day M-F	M-F, during operational hours and by 9:15 a.m. & by 2:30 p.m., Saturday, 9:15 a.m.

* Facility Delivery Schedule and Frequency above is current and is included for guidance only. A similar or equivalent schedule will be agreed upon by County and Contractor.

** There may be sub locations at each delivery site.

Contractor shall track delivery times for all locations daily. This will be reviewed monthly.

Contractor shall make all efforts to resolve any delivery schedule issues immediately.