

**CONSENT
JUNE 16 2021**

TAB	DESCRIPTION	ACTION
1	BAHR - UNIVERSITY OF IDAHO - RELEASE OF EASEMENT RIGHTS AT NORTH IDAHO COLLEGE	Action Item
2	BAHR – IDAHO STATE UNIVERSITY - CARDINAL HEALTH PHARMACEUTICAL PURCHASES AGREEMENT	Action Item
3	IRSA – BOISE STATE UNIVERSITY – DISCONTINUE MASTER IN TEACHING P-8 SPECIAL EDUCATION	Action Item
4	IRSA – GENERAL EDUCATION COMMITTEE (GEM) APPOINTMENTS	Action Item
5	PPGA – ACCOUNTABILITY OVERSIGHT COMMITTEE APPOINTMENT	Action Item
6	PPGA – STATE REHABILITATION COUNCIL APPOINTMENTS	Action Item
7	PPGA – INDIAN EDUCATION COMMITTEE APPOINTMENTS	Action Item
8	SDE – SAFETY BUSING APPROVAL	Action Item
9	SDE – FUNDING CAP WAIVER	Action Item

**CONSENT
JUNE 16 2021**

TAB	DESCRIPTION	ACTION
10	SDE – EMERGENCY PROVISIONAL CERTIFICATION APPROVAL	Action Item

BOARD ACTION

I move to approve the consent agenda.

UNIVERSITY OF IDAHO

SUBJECT

Lease from North Idaho College (NIC) and release of Regents' remaining easement rights at NIC's Molstead Library, Coeur d'Alene.

REFERENCE

August 2018 Idaho State Board of Education (Board) approved partial release of Regents' easement rights.

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.I.2.e and V.I.5.b(ii).

BACKGROUND/DISCUSSION

In 1989 the Regents acquired an easement to utilize a portion of a building on the NIC campus now known as the Molstead Library. The space includes classrooms no longer utilized by the University of Idaho (UI) except partially as overflow administrative space. Most UI classroom and administrative functions have been relocated to other facilities more suited for UI uses. In 2018 the Regents approved the release to NIC of a portion of this area no longer needed by UI.

Since 2017 UI has separately been leasing commercial space in downtown Coeur d'Alene for its computer science programs. The Molstead space does not work for this program. Due to the cost of that leased space and the suitability of other space on the NIC campus for this program, UI is now proposing to relocate the program into space NIC has made available. NIC will not charge rent or operating expenses to utilize this NIC space, but UI will evenly share costs to install tenant improvements needed for the UI program. UI is not obligated to cover more than \$25,000 of these tenant improvement costs, but may accept additional costs if needed to meet program facility needs. In consideration for NIC providing this space at no monthly rent or operating cost, NIC is requiring UI formally release its limited use rights at the Molstead Library so that space can be used by NIC to meet their immediate needs. This arrangement will allow UI to utilize the space NIC is providing for ten years by which time UI anticipates the computer science program will have outgrown this location on the NIC campus and will have time to make arrangements for expansion at some other suitable location.

To achieve the described outcome UI is proposing to execute a release to NIC of the use rights it currently possesses at Molstead. In return for formally releasing this space to NIC, NIC will provide by lease agreement the space and terms described above and attached to this agenda item.

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IMPACT

Although UI will pay a share of initial tenant improvement costs for the space it will be occupying at NIC, the proposed easement release will eliminate monthly leasing costs for the commercial space currently used by the UI computer science program. The transaction will completely terminate UI's rights to use the three currently underutilized classrooms acquired by UI in 1989 as they are no longer needed for UI's current or anticipated needs.

ATTACHMENTS

Attachment 1 – Draft Release of Space Easement
Attachment 2 – Draft Lease

STAFF COMMENTS AND RECOMMENDATIONS

The proposed ten year lease between North Idaho College and the University of Idaho provides each institution with education spaces that will expand the capacity of each. This lease has no financial commitments other than those required for tenant improvements and information technology. The release of the Molstead Library space is beneficial to North Idaho College; the new space available to the University of Idaho will better support its computer science program. Staff recommends approval.

BOARD ACTION

I move to approve the request by the University of Idaho to authorize the Vice President for Finance and Administration for the University of Idaho to execute all necessary transaction documents for conveying and receiving the subject property rights in the manner presented.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

ABANDONMENT AND RELINQUISHMENT OF EASEMENT

This Abandonment and Relinquishment of Easement is made by the University of Idaho ("U of I") and is effective on the date of the last signature below.

RECITALS

WHEREAS, U of I and North Idaho College ("NIC") entered into that certain Agreement Creating Classroom and Administrative Space Easement ("the Space Easement") dated October 20, 1989 and amended by that Partial Release of Space Easement ("Partial Release") dated September 13, 2018 for the purpose of granting U of I an easement to use and occupy certain classroom and administrative space in NIC's Molstead Library (cumulatively the Space Easement and the Partial Release are referred to herein as the "Easement"). A diagram of the Easement is attached hereto as Exhibit A (and shown as the shaded area) approximately 3,340 square feet;

WHEREAS, U of I desires to abandon and relinquish its interests in and to the Easement.

NOW, THEREFORE, for good, valuable and sufficient consideration, the receipt of which is hereby acknowledged, U of I hereby affirmatively and voluntarily abandons, relinquishes and terminates any and all interests it has in and to the Easement, which abandonment and relinquishment shall be effective on the date of the signature by U of I below.

IN WITNESS WHEREOF, U of I has executed this Abandonment and Relinquishment of Easement on the date set forth below.

University of Idaho

By: _____
Its: _____

Date: _____

ACKNOWLEDGED:

North Idaho College

By: _____
Its: _____

Date: _____

LEASE

This Lease is made by the Board of Regents of the University of Idaho, a state educational institution and body politic and corporate organized and existing under the Constitution and laws of the State of Idaho ("U of I") and North Idaho College ("NIC") and is effective on the date of the last signature below. Both U of I and NIC are sometimes collectively referred to herein as "the Parties."

RECITALS

WHEREAS, U of I has a need for space in NIC's Hedlund Building to house and support Computer Science and Cyber programs;

WHEREAS, NIC desires to grant to U of I a lease of space in the Hedlund Building as more specifically set forth herein.

NOW, THEREFORE, for good, valuable and sufficient consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. Leased Premises and Common Areas. NIC agrees to lease to U of I approximately 5048 square feet within the Hedlund Building (as depicted on **Exhibit A** hereto and more precisely shown as the shaded area) ("the Premises"). The portion of the Premises demised on the first floor of the Hedlund Building for use by U of I is not separated by wall or fixed barrier and while dedicated to U of I as a portion of the Premises, it is understood by the Parties that this space is not for U of I's exclusive use and may be occupied and utilized by NIC. This Lease does include the right to use other common areas of the Hedlund Building, including but not limited to communal bathrooms and hallways accessing the Premises ("Common Areas"). U of I use of all Common Areas is non-exclusive.
2. Term. The term of the Lease is for ten (10) years, commencing on August 1, 2021 and expiring on July 31, 2031.
3. Rent. In consideration of the simultaneous abandonment and relinquishment by U of I of the Agreement Creating Classroom and Administrative Space Easement dated October 20, 1989, U of I shall not be obligated to pay rent during the Term of this Lease.
4. NIC shall be responsible for the following:
 - a. Providing adequate power, fiber pathways and cabling (including patch panels and cabling in the walls), and maintenance of the wireless network, fiber, cabling, and wall plates supporting that U of I Information Technology infrastructure necessary to connect the Premises to the U of I network, but this does not include any responsibility for NIC to provide ongoing NIC IT Help Desk Support to the Premises.
 - b. Providing and paying for the costs of utilities, janitorial services and general maintenance in the Premises; provided that, however, NIC reserves the right to

require U of I to exercise cost-saving principles, including without limitation, temperature and lighting controls to the extent such cost-saving principles are also imposed on NIC spaces within the building/campus.

- c. Prior to October 16, 2021, NIC shall install information technology and tenant improvements at the Premises as listed in Exhibit B. Once those improvements have been completed by NIC, and upon notification of final costs from NIC to U of I, U of I shall pay 50% of the total cost incurred by NIC to install those improvements. Under no circumstances will NIC be obligated to cover costs for listed improvements in excess of \$25,000. NIC will manage the project and endeavor to keep the total project cost at or below \$50,000. In the event, that project costs are anticipated to exceed a total cost of \$50,000, NIC shall notify UI of such revised cost estimates to complete the improvements listed in Exhibit B and UI may either revise the scope of improvements required or may approve its responsibility to solely pay some amount in excess of the \$50,000.
- d. Allow U of I to install appropriate and reasonable U of I branding and wayfinding signage to and from the Premises with the prior written approval of NIC.

5. During the Lease term, the Parties will be responsible for the following:

- a. Subject to and abide by the North Idaho College Policy Manual and any rules and regulations developed by NIC regarding use of the Premises. Policies may be accessed at www.nic.edu/policy.
 - b. The Parties shall be responsible only for the acts, omissions or negligence of such party and such party's own employees and agents. Nothing in this Lease shall extend the tort responsibility or liability of NIC, U of I or the State of Idaho beyond that required by law, including the Idaho Tort Claims Act, Idaho Code section 6-901, *et seq.* Each party shall be responsible for damage to property of the other party caused by such party and such party's employees and agents in the performance of the Lease. If either party's liability for a property claim or damage is not covered by insurance or other property coverage, such party shall pay the costs arising from such claim or damage only to the extent funds are legally available therefor. If a claim or damage arises from more than one party's performance under the Lease, each responsible party shall pay their proportionate costs to such party arising from the claim or damage.
6. Any inability to perform this Lease agreement due to strikes, lockouts, labor disputes, disease, acts of God, governmental restrictions, governmental regulations, governmental controls, enemy, natural disasters, pandemics, hostile government action, civil commotion, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform, shall excuse performance by such party for a period equal to any such inability to perform. In the event of interruption of use of Premises from such causes, U of I shall be granted an extension to the term equal to the period of interruption, but only to the extent resumption of such use is reasonably practical upon conclusion of the causes for that interruption.

7. This Lease agreement embodies the entire agreement of the parties, and there are no oral agreements existing relative to the subject matter hereof which are not expressly set forth herein. The Agreement may be modified only in writing signed by all parties hereto.

IN WITNESS WHEREOF, the Parties have executed this Lease as of the date set forth below.

Board of Regents of the University of Idaho

By: _____
Its: _____

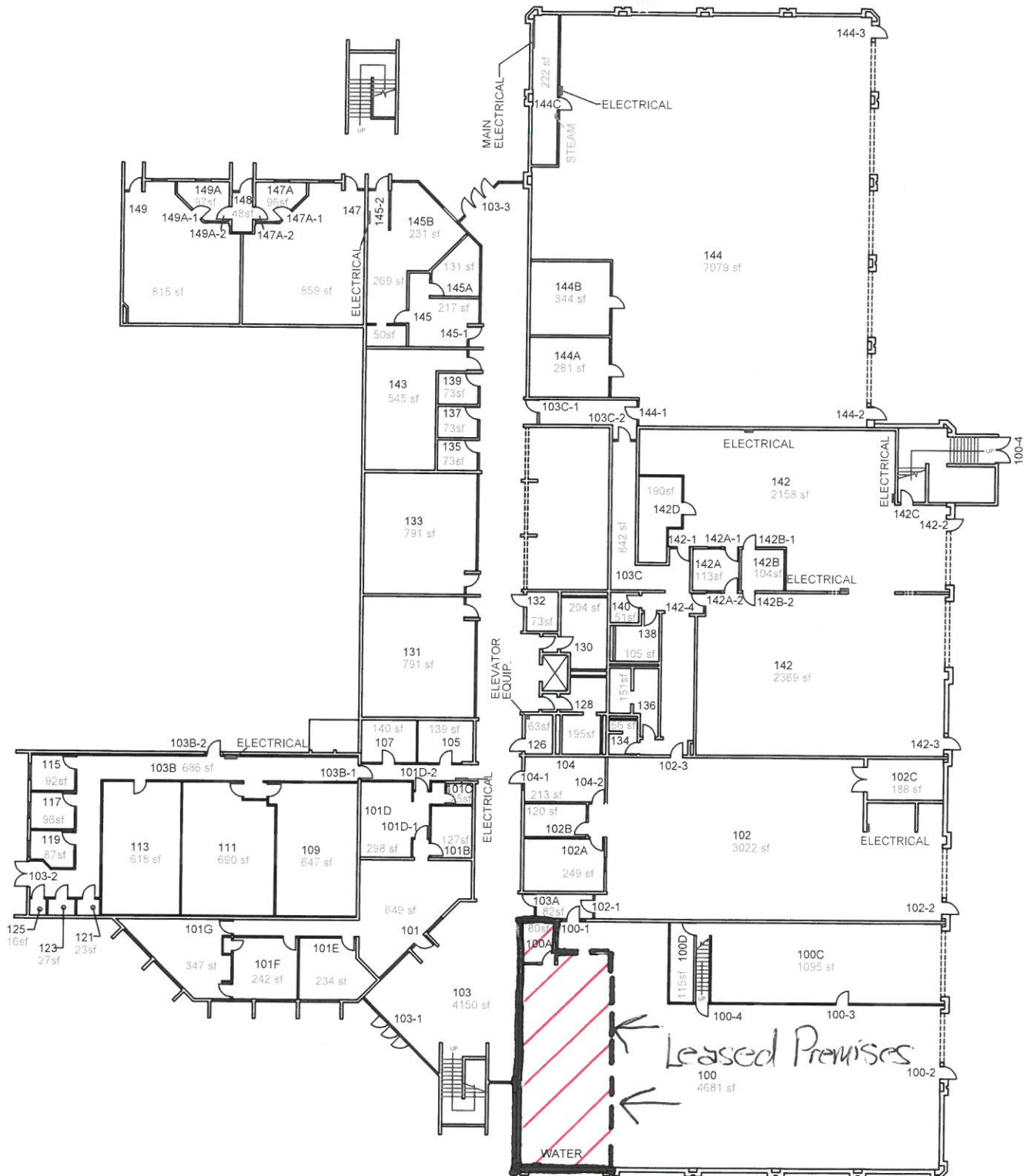
Date: _____

North Idaho College

By: _____
Its: _____

Date: _____

Exhibit A Page 1

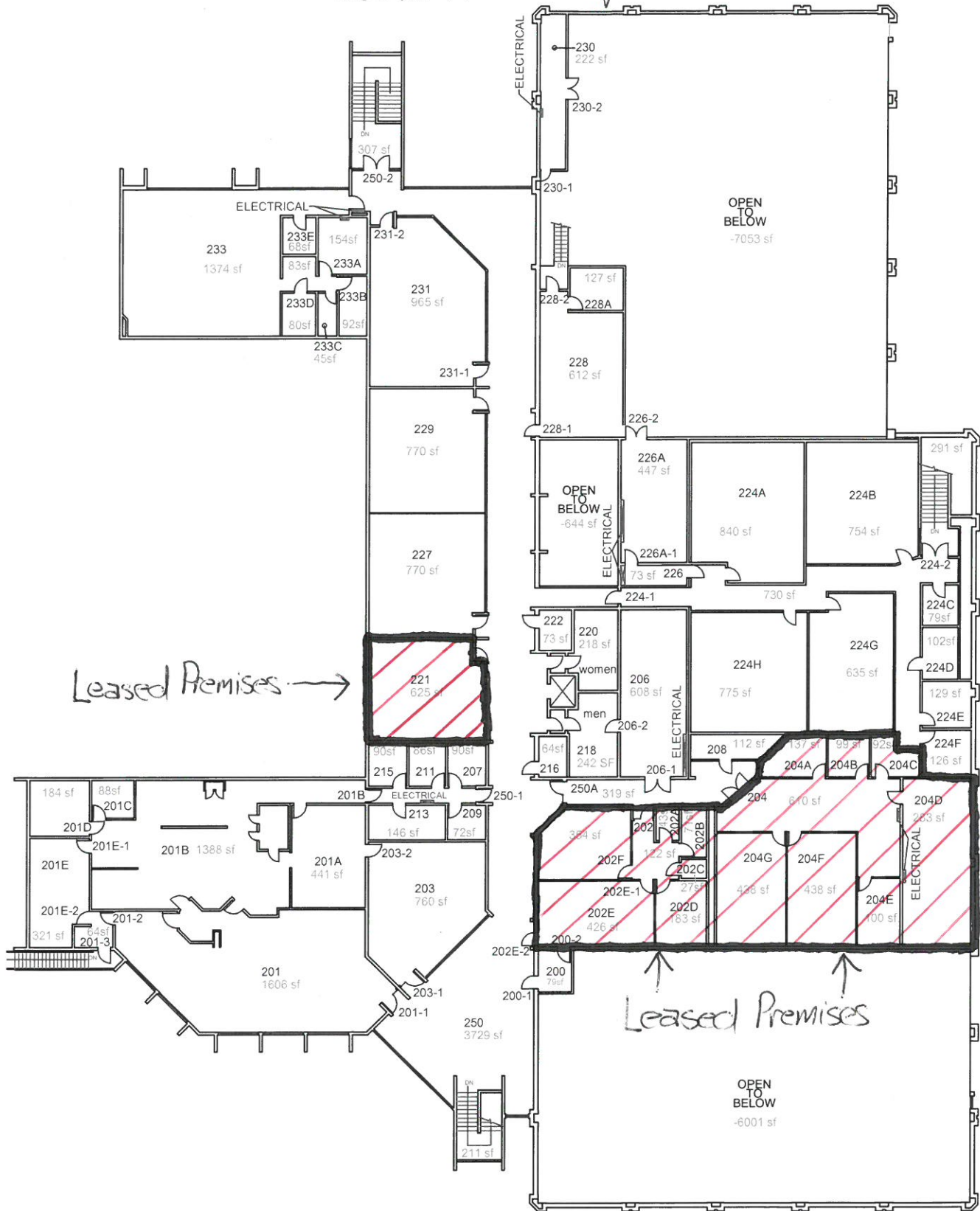


#19 Hedlund Building (HED)
First Floor
420 N. College Dr.

GSF - 42,387
NSF - 38,964

Revised 4/2018

Exhibit A Page 2



#19 Hedlund Building (HED)
Second Floor

GSF - 28,689
NSF - 25,644

March 2017

EXHIBIT B

INFORMATION TECHNOLOGY IMPROVEMENTS PROVIDED BY NIC

- 1) No less than 2 strands of single mode fiber (SMF) from the Hedlund building to the IRON point of presence (POP) in the NIC Molstead library.
- 2) An extension of the U of I wireless Service Set Identification that currently exists within the Bob and Leona DeArmond Building on the NIC Campus.
- 3) Server space with appropriate climate control in or near the leased Hedlund office suite.
- 4) Rack Unit space in a new network closet or enclosure that serves wall plates in the Premises suitable for U of I's installation of U of I's network switches.
- 5) A fiber cross connection necessary to connect new network closet or enclosure for U of I equipment racks to the fiber connection that leads to the Molstead Library on the NIC Campus.
- 6) Appropriately patched and labeled wall plates throughout Premises.

FACILITY TENANT IMPROVEMENTS PROVIDED BY NIC

- 1) Removal and finish of double doors separating rooms 204 and 250.
- 2) Removal of wall separating 202B and 202A.
- 3) Creation of countertop in place of wall at entry of 202 suite (remodel of wall between 202 and 202A).
- 4) Remodel entrance door to 202 to swing inward.
- 5) Remodel of 202C to cabinetry to include counter and sink for breakroom.
- 6) Removal of additional sink and stovetop in 202.
- 7) Creation of hallway separating 202E and 202F.
- 8) Addition of door/wall at end of hallway between 202E and 202F to create room 202F3.
- 9) Addition of 2 walls trisecting 202E to create 3 offices with at least 2 electrical and ethernet connection points each.
- 10) Addition of 1 wall bisecting 202F to create 2 offices with at least 2 electrical and ethernet connection points each.
- 11) Standard professional finishing and painting as needed throughout the suite with UI approved colors.

CONSENT
JUNE 16, 2021

IDAHO STATE UNIVERSITY

SUBJECT

Cardinal Health Pharmaceutical Products Contract

REFERENCE

February 2013	Implementation of the Bengal Pharmacy, a limited liability company, was presented to the Board as an information item; referred to BAHR Committee for review.
April 2013	Board approved ISU Foundation's request for implementation of the Bengal Pharmacy, a limited liability company.
February 2020	Board approved transfer of assets of Bengal Pharmacy from the ISU Foundation to the ISU College of Pharmacy

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.I.3.a.
Acquisition of Personal Property and Services

BACKGROUND/DISCUSSION

Bengal Pharmacy, LLC (LLC) was formed by the ISU Foundation (Foundation) in 2013 to operate pharmacies serving the Idaho State University (ISU) community, provide more opportunities for College of Pharmacy faculty and students to receive practical experience, and to serve rural Idaho communities with limited pharmaceutical services.

On January 1, 2019, the LLC locations at Pocatello, Arco, and Challis, entered into an agreement with Cardinal Health to purchase pharmaceutical products.

The LLC will transition from independent ownership under the Foundation to ISU control and management within the College of Pharmacy on July 1, 2021. The pharmacies would like Board approval to continue to use Cardinal Health pursuant to the Participating Addendum the State of Idaho Division of Purchasing entered into with Cardinal Health on December 23, 2019.

In the past year, the LLC spent \$3,729,089 with Cardinal Health.

IMPACT

This contract will allow the pharmacies to continue to provide services to its clients seamlessly and without interruption. If the request is not approved, the pharmacies will lose their licensing and credentialing and will cease to operate.

CONSENT
JUNE 16, 2021

ATTACHMENTS

Attachment 1 – Proposed Cardinal Health Contract

BOARD STAFF COMMENTS AND RECOMMENDATIONS

In February of 2020, the Board approved that the operations of the Bengal Pharmacy be moved from the ISU Foundation to Idaho State University. The business relationship with Cardinal Health will be a continuation of the partnership that currently exists with the Bengal Pharmacy, allowing for the purchase of pharmaceuticals to operate the pharmacy. Staff recommends approval.

BOARD ACTION

I move to approve the request by Idaho State University to enter into a contract with Cardinal Health for pharmaceutical purchases as proposed in Attachment 1.

Moved by _____ Seconded by _____ Carried Yes _____ No _____



Idaho Division of Purchasing

Participating Addendum

Purchase Order Name: Cardinal Health
Contract Number: PADD20200177
Contract Value: 250,000.00 USD
Purchase Order Date: 12/16/2019
Submitted By: Chelsea Robillard, Lead Purchasing Officer

Supplier

CARDINAL HEALTH
 7000 Cardinal Drive
 CARDINAL HEALTH
 Dublin
 OH, 48471
Phone: +1 651-247-0695
Fax: +1 614-553-9919
Email: Wendy.sease@cardinalhealth.com

Shipping Details

Ship FOB: Destination, Prepaid
Shipping Instructions: Ship to Ordering Agency

Bill To Address

DOP - Various State Agencies
 State of Idaho
 Various Locations See
 Below for Details on
 Specific Locations
 Various, Idaho 83702
Phone: 208-327-7465
Fax: 208-327-7320
Email: purchasing@adm.idaho.gov
Mail Stop: DOP - Various Locations

Ship To Address

Ship to Ordering Agency

Phone: 208-327-7465
Fax: 208-327-7320
Email: purchasing@adm.idaho.gov
Mail Stop: DOP - Various Locations

Payment Details

Payment Terms: Net 30

**Participating Addendum****NOTICE OF STATEWIDE CONTRACT (PADD) AWARD**

This Contract is for Pharmaceutical Prime Wholesaler Services, awarded pursuant to State of Minnesota Master Agreement MMS1900113, issued as a cooperative contract in conjunction with MMCAP Infuse. This Contract is issued on behalf of State of Idaho Agencies, institutions, departments, and eligible public agencies as defined by Idaho Code Section 67-2327 and shall be for the period noted above. It may be amended, renewed, or extended upon mutual, written agreement of the parties, as detailed in the RFP.

Contract Type: Open

Public Agency Clause: Yes

Contractor Contact: Wendy Sease, CARDINAL HEALTH

Phone: 651-247-0695

E-mail: Wendy.sease@cardinalhealth.com

This Contract is to be drawn upon as requested by the Ordering Agency for the period noted above. THIS NOTICE OF AWARD IS NOT AN ORDER TO SHIP. Purchase orders against this PADD will be furnished by the Ordering Agency on whose behalf this Contract is made. Contractor must ship and bill directly to the Ordering Agency. DO NOT INVOICE DOP unless DOP is the Ordering Agency. Notating the Contract Award Number on any invoices/statement will facilitate the efficient processing of payment.

QUANTITIES: DOP can only give approximations of quantities; no maximum or minimum quantities can be guaranteed.

This PADD, including any attached files, constitutes the State of Idaho's acceptance of your signed Proposal (including any electronic submission), which is incorporated herein by reference. In the event of any inconsistency, precedence shall be given in the following order:

1. This PADD
2. State of Minnesota's/MMCAP Infuse original sourcing event,
3. The Contractor's signed Proposal

Total USD \$250,000.00

Signature : Chelsea Robillard, Lead Purchasing Officer
State of Idaho, Division of Purchasing

Signed By : Chelsea Robillard

December 23, 2019

Vendor Contract MMS1900113
State of Idaho
Tendered: October 11, 2019

Member-Requested Participation Addendum (MPA)

This Addendum ("MPA") is entered into by State of Idaho ("Member") and Cardinal Health 110, LLC and Cardinal Health 112, LLC whose designated business address is 7000 Cardinal Place, Dublin, Ohio 43017 ("Vendor") and incorporates MMCAP Infuse, an agency of the State of Minnesota ("MMCAP Infuse") vendor contract MMS1900113 ("Vendor Contract").

WHEREAS, Member and Vendor wish to amend the terms and conditions of the Vendor Contract to address the matters of Member.

WHEREAS, MMCAP Infuse has sole approval authority to any changes to the Vendor Contract, thus is a signatory to this MPA.

WHEREAS, Member, MMCAP Infuse, and Vendor do not intend to alter, amend, interfere, modify, or adjust the contractual relationship of MMCAP Infuse and Vendor nor the relationship between any other member of MMCAP Infuse and the Vendor.

THEREFORE, the parties agree as follows:

I. DEFINITIONS

- A. **Membership**: Means the joint power cooperative comprised of the MMCAP Infuse authorized states, departments, facilities, and other municipalities.
- B. **Facilities**: Means the authorized departments, facilities, and other municipalities approved by Member and MMCAP Infuse to access and use this MPA, as identified on Exhibit B.

II. EFFECTIVE DATE AND TERM

- A. **Effective Date**: This MPA is effective on the date all signatures have been obtained.
- B. **Termination**: This MPA terminates upon:
 - 1. Sixty (60) calendar days' written notice to the other parties; or
 - 2. The termination of the Vendor Contract between MMCAP Infuse and the Vendor; or
 - 3. Written agreement executed by all parties.

III. SCOPE

- A. **Exhibit A**: Which is attached and incorporated herein, identifies the Vendor Contract and all other documents to be incorporated into the contractual relationship between Member and Vendor.
- B. **Exhibit B**: Which is attached and incorporated herein, identifies the additional Facilities that Member and MMCAP Infuse have approved to access the Vendor Contract and MPA.
- C. **Exhibit C**: Which is attached and incorporated herein, identifies the language to be incorporated into the contractual relationships between Member and Vendor, as referenced on Exhibit A. In the event of any conflict between the terms of the Vendor Contract and Exhibit C of this MPA, the terms of Exhibit C will supersede as between Member and Vendor. *Neither MMCAP Infuse, the State of Minnesota, nor any other party of the Membership (except for Facilities) are bound by the terms of Exhibit C.*

IV. **GENERAL PROVISIONS**

- A. **Assignment:** Except as affirmed in this MPA, neither the Member nor Vendor will assign, delegate, or transfer any rights or obligations under this MPA without the prior written consent of MMCAP Infuse.
- B. **Counterparts and Electronic Signature:** The MPA cannot be executed in counterparts and will not be enforceable until MMCAP Infuse has obtained all required signatures. If requested by MMCAP Infuse, Member and Vendor expressly agree to conduct transactions under the MPA by electronic means (including, without limitation, with respect to execution, delivery, storage and transfer of this MPA by electronic means and to the enforceability of this electronic agreement). MMCAP Infuse will be deemed to have control of the authoritative copy for the electronic transferable record, in each case regardless of whether applicable law recognizes electronic transferable records or control of electronic transferable records and regardless of whether this MPA is an electronic record or transferable record. Member and Vendor will cooperate with and take all actions required by MMCAP Infuse in order for this MPA to be a transferable record, to ensure that MMCAP Infuse has control of the authoritative copy of such transferable record.
- C. **Amendments:** Any amendment or modification to this MPA must be in writing and will not be effective until executed by Vendor, the Member, and MMCAP Infuse.

[REMAINDER OF PAGE LEFT BLANK; SIGNATURE PAGE FOLLOWS]

Vendor Contract MMS1900113
 State of Idaho
 Tendered: October 11, 2019

IN WITNESS WHEREOF, the undersigned parties have caused this MPA to be signed on their behalf intending to be bound thereby.

BY AND BETWEEN:

FOR THE MEMBER:
 STATE OF IDAHO

VENDOR: CARDINAL HEALTH 110, LLC and
 CARDINAL HEALTH 112, LLC

Signature: Chelsea Robillard

Signature: BC

By: Chelsea Robillard

By: Brad Cochran

Title: Lead Purchasing Officer

Title: SVP. National Markets

Date: December 16, 2019

Date: December 13, 2019

IN AN APPROVAL CAPACITY ONLY:

State of Minnesota for MMCAP Infuse
 In accordance with Minn. Stat. § 16C.03, subd. 3

Signature: Sara Turnbow, PharmD, BCPS Printed: Sara Turnbow Date: 12-16-19

Minnesota Commissioner of Administration
 In accordance with Minn. Stat. § 16C.05, subd. 2

Signature: Debra A. L. Burandt Printed: Debra A. L. Burandt Date: 12-16-2019

[SIGNATURE PAGE]

Vendor Contract MMS1900113
State of Idaho
Tendered: October 11, 2019

EXHIBIT A

Vendor Contract and other Applicable Legal Documents

1. Vendor Contract MMS1900113

Vendor Contract MMS1900113
State of Idaho
Tendered: October 11, 2019

EXHIBIT B

Approved Facilities

1. Scope: All state governmental entities, approved by MMCAP Infuse, within the State of Idaho and public agencies (as defined by Idaho Code, Section 67-2327) are authorized to purchase products and services under the terms and conditions of the Vendor Contract. These public agencies include any city or political subdivision of the State of Idaho, including, but not limited to counties; school districts; highway districts; port authorities; instrumentalities of counties, cities, or any political subdivision created under the laws of the State of Idaho; and public schools and institutions of higher education.
2. Participation: Use of specific MMCAP Infuse contracts by Facilities are subject to the prior approval of Idaho's Chief Procurement Official and MMCAP Infuse.
3. Individual Customer: Each ordering Facility ("**Purchasing Entity**") that places an order under this MPA will be treated as if it is an individual customer. Except to the extent modified by this MPA, each Purchasing Entity will be responsible to follow the terms and conditions of the Vendor Contract and this MPA. Each Purchasing Entity will be responsible for its own charges, fees, and liabilities; and will have the same rights to any indemnity or to recover any costs allowed in the Vendor Contract for its individual purchases.
4. Price Agreement Numbers. All purchase orders issued by Purchasing Entities within the jurisdiction of this PADD shall include the following price agreement number:

MMCAP Infuse Vendor Contract MMS1900113 and PADD20200177

Vendor Contract MMS1900113
 State of Idaho
 Tendered: October 11, 2019

EXHIBIT C

Language Modification of the Vendor Contract

The following terms and conditions are entered into between Vendor and the Member and incorporate the documents identified on Exhibit A. Neither MMCAP Infuse, the State of Minnesota, nor the Membership, except for the Member (and Facilities on Exhibit B), are bound by the terms within this Exhibit.

Modification of Terms:

This has been intentionally been left blank.

Additional Terms:

1. Idaho Fee and Quarterly Usage Report. A one and one-quarter percent (1.25%) Idaho Fee will apply to all purchases made under this MPA by any Facility. Member understands and agrees that Vendor will raise the Vendor Contract prices by the amount of the Idaho Fee. Idaho Fee payments and reports to the State of Idaho are due no later than thirty (30) calendar days after the end of each calendar quarter.

State of Idaho Reporting Time Line:

1st Quarter: July 1 – September 30
 2nd Quarter: October 1 – December 31
 3rd Quarter: January 1 – March 31
 4th Quarter: April 1 – June 30

Report of Contract Purchases:

Provided there are sales to report, quarterly reports must accompany each Idaho Fee payment; and be furnished electronically in Microsoft Excel format. For each account, Vendor needs to provide a listing of all items purchased during the prior quarter indicating the item # and description, the quantity delivered, the delivery destination, the date of delivery, and the unit prices. The total dollar amount accounts will have state agencies grouped separately from political subdivisions (e.g., cities, counties, school districts, water districts, etc.).

The report must be emailed to: purchasing@adm.idaho.gov.

Idaho Fee Payment checks must be made out and mailed to:

Division of Purchasing, State of Idaho
 P.O. Box 83720
 Boise, ID 83720-0075

2. Restrictions. Purchases under this MPA are restricted to purchases of medical equipment and supplies offered by the Vendor and are listed on the Vendor Contract.
3. Terms and Conditions in the Vendor Agreement that Do Not Apply to Idaho. To the extent that the Vendor Contract contains terms that have any of the following force or effect, such terms are hereby deemed inapplicable to Member:
 - A. Waiver of the sovereign immunity of the State of Idaho;

Vendor Contract MMS1900113
 State of Idaho
 Tendered: October 11, 2019

- B. Subject the state of Idaho, its agencies, or political subdivisions of the state of Idaho to the jurisdiction of the courts of other states;
- C. Limit the time in which the state of Idaho, its agencies, or political subdivisions of the State of Idaho may bring a legal claim to a period shorter than that provided in Idaho law;
- D. Impose a payment obligation, including a rate of interest for late payments, less favorable than the obligations set forth in Section 67-2302, Idaho Code;
- E. Require the state of Idaho, its agencies, or political subdivisions of the state of Idaho to accept arbitration or to waive right to a jury trial.
- F. Require indemnification not specifically authorized by the Idaho legislature or subject to appropriation (pursuant to Section 67-9213, Idaho Code, and Section 59-1016, Idaho Code); or
- G. Hold employees or officers of the State of Idaho and of political subdivisions of the State of Idaho personally liable.

4. Primary Contacts: The primary contact individuals for this MPA are as follows (or their named successors):

Vendor

Name:	Wendy Sease
Address:	7000 Dublin Place Dublin, OH 43017
Telephone:	651-247-0695
Fax:	
Email:	Wendy.sease@cardinalhealth.com

Participating Entity

Name:	Chelsea Robillard
Address:	State of Idaho, Division of Purchasing 304 N. 8 th Street, Room 403 Boise, ID 83709
Telephone:	208-332-1607
Fax:	208-327-7320
Email:	Chelsea.Robillard@adm.idaho.gov

5. Orders: Any Order placed by a Purchasing Entity for a product and/or service available from the Vendor Contract shall be deemed to be a sale under (and governed by the prices and other terms and conditions) the MPA unless the Purchasing Entity and the Vendor agree in writing that another contract or agreement applies to such Order.



Pharmaceutical Prime Wholesaler Services Contract

MMCAP Infuse

This Contract is between the State of Minnesota, acting through its Commissioner and the state agency MMCAP Infuse ("State" or "MMCAP Infuse") and **Cardinal Health 110, LLC and Cardinal Health 112, LLC** whose designated business address is 7000 Cardinal Place, Dublin, Ohio 43017 (collectively, "WHOLESALE").

Recitals

1. Pursuant to Minnesota Statutes Section 16C.03, the Commissioner of Administration may enter into this Contract on behalf of MMCAP Infuse for the benefit of its members.
2. MMCAP Infuse is a group purchasing organization as defined in 42 U.S.C. § 1320a-7b(b)(3)(c) and maintains that it is structured to comply with the requirements of the Safe Harbor regulations regarding payments to group purchasing organizations set forth in 42 C.F.R. § 1001.952(j). MMCAP Infuse consists of government-run facilities and contracts for pharmaceuticals and health care products and services for members' use.
3. The Wholesaler wishes to contract with MMCAP Infuse to provide pharmaceutical wholesaler distribution services to distribute contract and non-contract pharmaceuticals, OTCs, nutritionals, vaccines (other than influenza vaccines), diabetic supplies, and other products to MMCAP Infuse Members.
4. The WHOLESALE represents that it is duly qualified and agrees to perform all services described in this Contract to the satisfaction of MMCAP Infuse.

Contract

1. Term of Contract and Exhibits

- 1.1 **Effective date:** November 1, 2019, or the date MMCAP Infuse obtains all required signatures under Minn. Stat. § 16C.05, subd. 2, whichever is later. **The WHOLESALE must not begin work under this Contract until this Contract is fully executed and the WHOLESALE has been notified by MMCAP Infuse's Authorized Representative to begin the work.**
- 1.2 **Expiration date:** October 31, 2021, or until all obligations have been satisfactorily fulfilled, whichever occurs first. The Contract may be extended for up to an additional three (3) years, at increments determined by MMCAP Infuse, on written acceptance by both parties, for a total term not to exceed five (5) years.
- 1.3 **Survival of terms.** The following clauses survive the expiration or cancellation of this Contract: 2. Definitions; 5. Fees and Payment; 6. Conditions of Payment; 9. Notices; 10.4. Member-required Participation Agreement (state terms); 13. Indemnification; 14. Audits; 15. Government Data Practices; 16. Intellectual Property and Data Rights; 20. Publicity and Endorsement; 21. Governing Law, Jurisdiction, and Venue; 22. Antitrust; 23. Data Disclosure; and 35. Severability;
- 1.4 **Exhibits.** The following exhibits are attached and incorporated into this Contract, and are set forth in their order of precedence:
 - 1.4.1 Attachment A, Scope of Work
 - 1.4.2 Attachment B, Fees
 - 1.4.3 Attachment C, Service Fee Discount Matrix (Cost of Goods Discounts/Payment terms)
 - 1.4.4 Attachment D, Wholesaler Saleable Returns Policy

2. Definitions

To the extent that they do not diminish, derogate, or otherwise modify the express language set forth in this Contract, the definitions set forth in any exhibits or attachments, as attached and incorporated herein, shall apply to the Contract document.

3. Time

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

4. Wholesaler's duties

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The WHOLESALER, who is not a State employee, will perform the duties specified in Attachment A which are attached and incorporated into this Contract.

5. Fees and Payment

- 5.1 **Fees.** Subject to Attachment C, as attached and incorporated herein, all changes to the MMCAP Infuse Service Fee Discount Matrix will be communicated to MMCAP Infuse in writing with a minimum of seven (7) business days' notice prior to the effective date of the changes. WHOLESALER service fees may only change on a quarterly or less frequent basis.
- 5.2 **Additional Fees.** Subject to Attachment B, no fee, percentage, or other cost may be added to the products purchased under this Contract unless the fee, percentage, or cost is defined and approved in writing by MMCAP Infuse and a formal amendment is executed.
- 5.3 **Federal funds.** Payments under this Contract may be made from federal funds. The WHOLESALER is responsible for compliance with all federal requirements imposed on these funds and accepts full financial responsibility for any requirements imposed by the WHOLESALER's failure to comply with federal requirements.
- 5.4 Each individual MMCAP Infuse Member, as applicable and as allowable under law, will pay any fees, surcharges, taxes, or assessments directly related to the sale and/or distribution of pharmaceutical products ("**Pharmaceutical Fees**"). WHOLESALER may only apply Pharmaceutical Fees to MMCAP Infuse Members in the jurisdiction where the applicable Pharmaceutical Fee was enacted. To avoid all doubt among the parties, for an example, if the state of Blackacre enacts a Pharmaceutical Fee, WHOLESALER may only assess the Pharmaceutical Fee to MMCAP Infuse Members located in, or otherwise doing business in, the state of Blackacre. All Pharmaceutical Fees must be assessed by WHOLESALER as a separate line-item on the invoice to the purchasing MMCAP Infuse Member and will not be included in any Product or Service pricing; except in instances where certain other fees or taxes are automatically applied to the Product or Service cost

6. Conditions of payment

All services provided by the WHOLESALER under this Contract must be performed to the satisfaction of MMCAP Infuse and the MMCAP Infuse Member, and in accordance with all applicable federal, state, and local laws, ordinances, rules, and regulations. The WHOLESALER will not receive payment for work found by MMCAP Infuse (as directed by the MMCAP Infuse Member) to be unsatisfactory or performed in violation of federal, state, or local law.

7. Ordering and Purchase Orders

As a condition for purchasing under this Contract, purchasers must be MMCAP Infuse Members in good standing with MMCAP Infuse, as defined in Article 10.

- 7.1 **Purchase Orders.** MMCAP Infuse Members may use their own forms for Purchase Orders. To the extent that the terms of any form conflict with the terms of this Contract, the terms of this Contract supersede. Each MMCAP Infuse Member will be responsible for payment for services provided to that MMCAP Infuse Member by WHOLESALER; the MMCAP Infuse Office will have no liability for any unpaid invoice of any MMCAP Infuse Member or Facility. WHOLESALER agrees to invoice the MMCAP Infuse Member for services provided as specified in Attachment B, Fees and/or Attachment C, Service Fee Discount Matrix. WHOLESALER will accept Electronic Funds Transfer (EFT) as a payment modality. At time of new account set up, the MMCAP Infuse Member will initiate this process with its bank.
- 7.2 **Funds available and authorized/non-appropriation.** By submitting a Purchase Order the MMCAP Infuse Member represents it has sufficient funds currently available and authorized for expenditure to finance the costs of the Purchase Order.
- 7.3 **Termination of Individual Purchase Orders.** MMCAP Infuse Members may terminate individual Purchase Orders, in whole or in part, immediately upon notice to WHOLESALER, or at such later date as the MMCAP Infuse Member may establish in such notice, upon the occurrence of any of the following events:
 - (i) The MMCAP Infuse Member fails to receive funding, or appropriations, limitations or other expenditure authority at levels sufficient to pay for the goods to be purchased under the Purchase Order;
 - (ii) Federal or state laws, regulations or guidelines are modified or interpreted in such a way that either the purchase of goods under the Purchase Order is prohibited or the MMCAP Infuse Member is prohibited from paying for such goods from the planned funding source; or
 - (iii) If WHOLESALER or MMCAP Infuse Member commits any material breach of this Contract or a Purchase Order, MMCAP Infuse may terminate the individual Purchase Order Upon receipt of written notice of termination, the party(ies) will stop performance under the Purchase Order as directed by the MMCAP Infuse. WHOLESALER or MMCAP Infuse Member may effect an early termination of an individual MMCAP Infuse Member Purchase Order 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 thirty (30) calendar days from the date of such notice, or if the breaching party

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has not made reasonable efforts to effect the cure if the breach cannot reasonably be cured within such thirty (30) calendar day period, then the non-breaching party may, in addition to any and all other rights or remedies it may have, provide written notice to the breaching party that the Purchase Order will be terminated immediately following the expiration of such thirty (30) calendar day period.

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

- 7.4 **Jurisdiction and Venue of Purchase Orders.** Upon completion of the Dispute Resolution process outlined in Article 36 this Contract, and solely with the prior written consent of MMCAP Infuse and the State of Minnesota Attorney General's Office, the MMCAP Infuse Member may bring a claim, action, suit or proceeding against WHOLESALER. The MMCAP Infuse Member's request to MMCAP Infuse to bring the claim, action, suit, or proceeding must state the initiating party's desired jurisdiction, venue and governing law.

Upon completion of the Dispute Resolution process outlined in this Contract, the WHOLESALER may bring a claim, action, suit or proceeding against MMCAP Infuse Member, in WHOLESALER's sole discretion.

As it applies to purchases made by a MMCAP Infuse Member, nothing in the Contract will be construed to deprive the MMCAP Infuse Member of its sovereign immunity, or of any legal requirements, prohibitions, protections, exclusions or limitations of liability applying to this Contract or afforded by the MMCAP Infuse Participating Facilities' law.

8. Authorized Representative

MMCAP Infuse's Authorized Representative is Ms. Debra López-Burandt, MMCAP Infuse Wholesaler Coordinator, 112 Administration Building, 50 Sherburne Avenue, St. Paul, MN 55155, 651-201-3053, debra.lopez-burandt@state.mn.us or her successor or designee, and has the responsibility to monitor the WHOLESALER's performance and the authority to accept the services provided under this Contract. If the services are satisfactory, MMCAP Infuse's Authorized Representative will certify acceptance on each invoice submitted for payment.

The WHOLESALER's Authorized Representative is Wendy Sease, Director, State Government at the following business address and telephone number: 7000 Cardinal Place, Dublin, OH 43017, 651-247-0695 Wendy.Sease@cardinalhealth.com, or his/her successor. If the WHOLESALER's Authorized Representative changes at any time during this Contract, the WHOLESALER must immediately notify MMCAP Infuse.

9. Notices

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

MMCAP Infuse Wholesaler Coordinator
MMCAP Infuse
112 Administration Building
50 Sherburne Avenue
St. Paul, MN 55155
Fax: 651-201-3053

SVP, National Accounts
With a copy to: General Counsel
Cardinal Health 110, LLC
Cardinal Health 112, LLC
7000 Cardinal Place
Dublin, OH 43017

10. MMCAP Infuse Members

- 10.1 **Membership Listing.** MMCAP Infuse will provide WHOLESALER a complete listing of all MMCAP Infuse members, which is password protected and published at MMCAP Infuse's website. MMCAP Infuse reserves the right to add and remove MMCAP Infuse Members during the Term of this Contract.
- 10.2 **New Members.** The WHOLESALER must allow new MMCAP Infuse Members that join MMCAP Infuse to access to the Contract. As new MMCAP Infuse Members are added to MMCAP Infuse, MMCAP Infuse will provide WHOLESALER with monthly e-mail notices announcing that a new MMCAP Infuse Membership List has been posted online. If new states are added as MMCAP Infuse Members and opt to participate in this Contract, the new MMCAP Infuse Member state will select a wholesaler to service the MMCAP Infuse Members. In the event one or more of said facilities are currently using another MMCAP Infuse-contracted wholesaler, said facility will be allowed to choose if it will transition to WHOLESALER.
- 10.3 **Verification of Authorized Purchasers.** Upon request of MMCAP Infuse, WHOLESALER must verify that it provides services and pricing under this Contract only to MMCAP Infuse Members.
- 10.4 **Member-required Participation Agreement (MPA).** In order to access this Contract some MMCAP Infuse

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Members require jurisdiction-specific additional paperwork or contract language. WHOLESALER may be required to review an MMCAP Infuse "Member Participating Agreement" (MPA) to amend this Contract to provide for laws specific to a state or local jurisdiction. If these circumstances exist, the WHOLESALER must work with MMCAP Infuse and the MMCAP Infuse Member to prepare an MPA to set forth the additional or altered terms and conditions. An MPA must clearly apply only to the requesting location and will not affect the rights of the other MMCAP Infuse Members, nor will it modify, derogate, or otherwise diminish the rights and obligations set forth herein, except in regard to the applicable named MMCAP Infuse Member. When the specific terms are agreeable to the WHOLESALER and the MMCAP Infuse Member, the MPA will be presented to each party for execution. WHOLESALER must not sign any member documents without prior MMCAP Infuse review and approval. The MPA, will only apply to the requesting Member and must be signed in the following order: WHOLESALER, MMCAP Infuse Member, and then MMCAP Infuse.

WHOLESALER is not required to agree to any additional terms; however, by not agreeing to the MPA, WHOLESALER may be precluded from doing business with that MMCAP Infuse Member. No verbal or written instructions from MMCAP Infuse Members, or any of their staff or officials, to change any provision of this Contract will be accepted by WHOLESALER without the prior written approval of MMCAP Infuse. WHOLESALER will immediately report any such requests to the MMCAP Infuse Authorized Representative who will issue approval or denial in writing.

In the event a MMCAP Infuse Member requires a fee be added to the Contract price (e.g., member levied procurement fee or system use fee), that fee must be added on top of the MMCAP Infuse-contracted pricing. WHOLESALER may not absorb the fee. WHOLESALER must not pay a member levied fee without first collecting the fee through increased service costs. The fees will be set aside and paid to the MMCAP Infuse Member as detailed in the specific MPA.

- 10.5 **Covenant of Laws.** WHOLESALER shall comply with all state and federal laws, as applicable to each Member State, in the performance of this Contract.

11. Contract Transition. Pursuant to the transition checklist, as set forth in Attachment A:

- 11.1 **Currently Contracting with MMCAP Infuse Members.** If the MMCAP Infuse Member is currently contracted with the WHOLESALER for the services or substantially similar services, as set forth in Attachment A and has selected WHOLESALER for this Contract, WHOLESALER shall transition each MMCAP Infuse Member from the existing contract (and existing contract terms) to this Contract (and its terms) on the effective date of this Contract.
- 11.2 **Currently Not Contracting with MMCAP Infuse Members.** If the MMCAP Infuse Member is not currently contracting with the WHOLESALER for the or substantially similar services, as set forth in Attachment A, and has selected WHOLESALER for this Contract, WHOLESALER shall transition each MMCAP Infuse Member to this Contract (and its terms), on the effective date of this Contract. If due to selection process delays that further impact the transition process set forth in Attachment A, WHOLESALER shall transition the MMCAP Infuse Member on the 1st day of the month following the completion of the transition process.
- 11.3 **Transitions.** Transition from an existing contract to this Contract must occur on the 1st day of a month, and no other day, unless there is written approval from MMCAP Infuse.
- 11.4 **Cooperation.** In completing this transition, WHOLESALER shall work with MMCAP Infuse Staff and MMCAP Infuse Members to determine the appropriate steps and schedule, subject to the above, for the transition. WHOLESALER acknowledges that the transition may be dependent upon the terms of the existing contracts and subject to the notice provisions contained therein.

12. Assignment, amendments, waiver, and contract complete

- 12.1 **Assignment.** The WHOLESALER may neither assign nor transfer any rights or obligations under this Contract without the prior consent of MMCAP Infuse, which consent shall not be unreasonably withheld, and a fully executed assignment agreement, executed and approved by the same parties who executed and approved this Contract, or their successors in office. MMCAP Infuse may not assign or transfer any rights or obligations under this Contract to any entity outside the State of Minnesota executive branch, without the prior consent of WHOLESALER, which consent shall not be unreasonably withheld, and a fully executed assignment agreement, executed and approved by the same parties who executed and approved this Contract, or their successors in office.
- 12.2 **Amendments.** Any amendment to this Contract must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original Contract, or their successors in office.
- 12.3 **Extraneous Agreements.** The WHOLESALER shall not enter into any additional agreement, with any MMCAP Infuse Member, arising from this agreement for similar services, or amend this agreement in any way, without the written authorization of MMCAP Infuse's managing director.

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- 12.4 **Waiver.** If either party fails to enforce any provision of this Contract, that failure does not waive the provision or its right to enforce it.
- 12.5 **Counterparts and Electronic Signature.** The Contract cannot be executed in counterparts and will not be enforceable until MMCAP Infuse has obtained all required signatures. If requested by MMCAP Infuse and WHOLESALER expressly agree to conduct transactions under the Contract by electronic means (including, without limitation, with respect to execution, delivery, storage and transfer of this Contract by electronic means and to the enforceability of this electronic agreement). MMCAP Infuse will be deemed to have control of the authoritative copy for the electronic transferable record, in each case regardless of whether applicable law recognizes electronic transferable records or control of electronic transferable records and regardless of whether this Contract is an electronic record or transferable record.
- 12.6 **Contract complete.** This Contract contains all negotiations and agreements between MMCAP Infuse and the WHOLESALER. No other understanding regarding this Contract, whether written or oral, may be used to bind either party.

13. Indemnification

In the performance of this Contract by WHOLESALER, or WHOLESALER's agents or employees, the WHOLESALER must indemnify, save, and hold harmless MMCAP Infuse, MMCAP Infuse Members, including their agents, and employees harmless from any claims or causes of action, including attorney's fees arising out of the performance of this Contract, to the extent caused by WHOLESALER's:

- a) Intentional, willful, or negligent acts or omissions;
- b) Actions that give rise to strict liability; or
- c) Breach of contract or warranty.

The indemnification obligations of this section do not apply in the event the claim or cause of action is the result of the MMCAP Infuse's negligence. This clause will not be construed to bar any legal remedies the WHOLESALER may have for the MMCAP Infuse's failure to fulfill its obligation under this Contract. Pursuant to the Minnesota Constitution Article XI Section 1, MMCAP Infuse cannot indemnify the WHOLESALER.

EXCEPT FOR PRODUCTS MANUFACTURED BY (A) WHOLESALER; (B) AN AFFILIATE OR SUBSIDIARY OF WHOLESALER; OR (C) PARENT OF WHOLESALER; WHOLESALER DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY, NON-INFRINGEMENT OR FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT WILL WHOLESALER BE LIABLE TO THE STATE, MMCAP INFUSE, ANY MMCAP INFUSE MEMBER OR ANY MMCAP INFUSE PARTICIPATING FACILITY FOR ANY INCIDENTAL, CONSEQUENTIAL OR SPECIAL CLAIMS, LIABILITIES OR DAMAGES.

WHOLESALER will transfer to MMCAP Infuse and MMCAP Infuse Member (on a non-exclusive basis) any representations and warranties made by the manufacturers of the products to the extent that such representations and warranties are assignable by WHOLESALER, and will cooperate with all reasonable requests, at no cost to WHOLESALER, made by MMCAP Infuse and/or MMCAP Infuse Member to enforce such representations and warranties against such manufacturers. Notwithstanding anything to the contrary herein, WHOLESALER reserves its own rights under such representations and warranties made by such manufacturers and the remedies available to it for any breach of such representations and warranties by the manufacturers.

14. Audits

- 14.1 **State Audit.** Under Minn. Stat. § 16C.05, subd. 5, the WHOLESALER's books, records, documents, and accounting procedures and practices relevant to this Contract are subject to examination by the State, MMCAP Infuse, and/or the State Auditor or Legislative Auditor, as appropriate, for a minimum of six (6) years from the end of this Contract. This clause extends to MMCAP Infuse Member Facilities as it relates to business conducted with and sales to that Member Facility.
- 14.2 **Invoice and Pricing Audit.** MMCAP Infuse and MMCAP Infuse Members served by this Contract may periodically audit WHOLESALER to determine the validity of invoice pricing. Each individual MMCAP Infuse Member may audit no more than twice in any twelve (12) month period following sixty (60) day's advance written notice to WHOLESALER. Such audits may be conducted only during ordinary business hours. Subject to applicable government data practices law(s), any such review will be limited to twelve (12) months of historical information as of the date of such review begins and will be subject to a confidentiality agreement, prepared by WHOLESALER and signed by MMCAP Infuse and its employee(s) who will have access to the information prior to beginning the review.
- 14.3 **Costs.** WHOLESALER, MMCAP Infuse, and MMCAP Infuse Members shall each be responsible for its own costs associated with any audit, including costs related to the production of records and/or other documents requested by the other party.

15. Government data practices

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- 15.1 **Data Practices Act.** The WHOLESALER and MMCAP Infuse must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to all data provided by the MMCAP Infuse under this Contract, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the WHOLESALER under this Contract. The civil remedies of Minn. Stat. § 13.08 apply to the release of the data governed by the Minnesota Government Practices Act, Minnesota Statutes Chapter 13, by either the WHOLESALER or the MMCAP Infuse.
- 15.2 **Notification.** If the WHOLESALER receives a request to release the data referred to in this clause, the WHOLESALER must immediately notify and consult with MMCAP Infuse's Authorized Representative as to how the WHOLESALER should respond to the request. The WHOLESALER's response to the request shall comply with applicable law.

As may be required under Minnesota law, WHOLESALER agrees to indemnify, save, and hold the State of Minnesota, its agent and employees, harmless from all claims arising out of, resulting from, or in any manner attributable to any violation of any provision of the Minnesota Government Data Practices Act, including legal fees and disbursements paid or incurred to enforce this provision of the Contract.

15.3 **Release of MMCAP Infuse data.** Except as may be required by Minnesota Data Practices Act, Minn. Stat. Ch. 13, or as provided in Section 13, WHOLESALER shall not release to any third party any MMCAP Infuse customer data, sales transaction data, DEA/HIN information, contract pricing, EDI transaction data, reverse distribution data, or payment data.

16. Intellectual Property and Data Rights.

- 16.1 **MMCAP Infuse Ownership.** MMCAP Infuse owns all rights, title, and interest in MMCAP Infuse customer data, sales transaction data, DEA/HIN information (subject to third-party rights), contract pricing, EDI transaction data, reverse distribution data, and payment data, including copyrights and trade secrets contained therein. MMCAP Infuse grants to WHOLESALER an unlimited, non-revocable, nontransferable, fully paid license, for the term of this Contract, to (i) release state specific data to an MMCAP Infuse Member's State primary contact; (ii) release any of the above data to product manufacturers, when necessary for the performance of this Contract or as required by WHOLESALER's agreements with such product manufacturers; (iii) to release any of the above data to other MMCAP Infuse-approved third parties, when necessary for the performance of this Contract; (iv) to provide MMCAP Infuse Member purchase data to aggregators, including IMS Health and NDC Health, subject to WHOLESALER's reasonable efforts to require such data aggregators to protect any identifiable data from discovery by another third party; and (v) to provide MMCAP Infuse Member purchase data to other group purchasing organizations of which the MMCAP Infuse Member is also a member, provided such data will not include MMCAP Infuse-identifiable data. Any MMCAP Infuse identifiable data provided hereunder to a third party must identify the data as MMCAP Infuse data and subject to Minn. Stat. Ch. 13. To the extent permitted by law, WHOLESALER hereby agrees that in the event that MMCAP Infuse or an MMCAP Infuse Member requests in writing that its purchase data be kept confidential, such data will not be provided to third party aggregators.
- 16.2 **WHOLESALER Ownership.** WHOLESALER owns all rights, title, and interest to any aggregated data not identifiable as arising from this Contract and any other intellectual property created for or presented to MMCAP Infuse. WHOLESALER grants to MMCAP Infuse an unlimited, non-revocable, non-transferable, fully paid, perpetual license, to use all intellectual property created for or presented to MMCAP Infuse under this Contract.
- 16.3 **Pre-Existing Intellectual Property.** MMCAP Infuse and WHOLESALER shall each retain ownership of, and all right and, title and interest in and to, their respective pre-existing intellectual property. WHOLESALER grants to State an unlimited, royalty-free, paid up, perpetual, non-exclusive, irrevocable, non-transferable license to use and modify any pre-existing WHOLESALER intellectual property, including marketing materials and materials contained in solicitation responses provided by WHOLESALER to MMCAP Infuse or an MMCAP Infuse Member. The aforementioned license is solely for use by MMCAP Infuse and MMCAP Infuse Members, and their agents related to an internal business or governmental purposes.
- 16.4 **Intellectual Property Warranty and Indemnification.** Except as otherwise set forth below, WHOLESALER warrants that any materials, software or products produced by WHOLESALER will not infringe upon or violate any patent, copyright, trade secret, or any other proprietary right of any third party. In the event of any such claim by any third party against MMCAP Infuse, MMCAP Infuse will promptly notify WHOLESALER. WHOLESALER, at its own expense, will indemnify; defend to the extent permitted by the Minnesota Attorney General's Office, and hold harmless MMCAP Infuse against any loss, cost, expense, or liability (including reasonable legal fees) arising out of such a claim, whether or not such claim is successful against MMCAP Infuse.
- 16.4.1 If such a claim has occurred, or in the WHOLESALER's opinion is likely to occur, the WHOLESALER will either procure for MMCAP Infuse the right to continue using the materials or products or replacement or modified materials or products. If an option satisfactory to MMCAP Infuse is not reasonably available, MMCAP Infuse will return the materials or products to the WHOLESALER, upon

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written request of the WHOLESALER and at the WHOLESALER's expense. This remedy is in addition to any other remedy provided by law.

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

17. Insurance Requirements

- 17.1 WHOLESALER shall not commence work under the Contract until they have obtained all the insurance described below. WHOLESALER shall maintain such insurance in force and effect throughout the term of the Contract.

- 17.2 WHOLESALER is required to maintain and furnish satisfactory evidence of the following insurance policies:

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

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

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

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

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

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

The following coverages shall be included:

Premises and Operations Bodily Injury and Property Damage
 Personal and Advertising Injury
 Blanket Contractual Liability
 Other; if applicable, please list _____
 MMCAP Infuse named as an Additional Insured, to the extent permitted by law

- 17.2.3 **Products and Completed Operations Liability Insurance**
 WHOLESALER is required to maintain Products/Completed Operations Liability Insurance. WHOLESALER may self-insure or self-administer all or a portion of the required insurance, and to the extent the WHOLESALER does self-insure, such insurance will not be deemed to exceed the scope of coverage and/or limits that would have been provided in an actual policy of insurance that satisfies this insurance requirements. Insurance **minimum** limits are as follows:

\$5,000,000 - per occurrence
\$5,000,000 - annual aggregate

- 17.2.4 **Network Security and Privacy Liability Insurance, Including Ransomware (or equivalent):** WHOLESALER is required to maintain insurance to cover claims which may arise from negligent failure of WHOLESALERS's security resulting in, but not limited to, computer attacks, unauthorized access, disclosure of confidential or private information, transmission of a malicious code or denial of service.

Insurance **minimum** limits are as follows:
\$2,000,000 – per claim
\$2,000,000 – annual aggregate

- 17.2.5 **Professional/ Technical, Errors and Omissions, and or Miscellaneous Liability Insurance:** This policy will provide coverage for all claims the WHOLESALER may become legally obligated to pay resulting from any actual or alleged negligent act, error, or omission related to the WHOLESALER's professional services required under the Contract.

Insurance minimum limits are as follows:
\$2,000,000 – per claim
\$2,000,000 – annual aggregate

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

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

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

In addition, the following coverages should be included:

Owned, Hired, and Non-owned Automobile

17.3. **Additional Insurance Conditions:**

- 17.3.1 Any deductible or retention will be the sole responsibility of the WHOLESALER.

- 17.3.2 WHOLESALER's policy(ies) shall be primary and non-contributory to any other valid and collectible insurance available to MMCAP Infuse with respect to any claim arising out of WHOLESALER's performance under this Contract;

If WHOLESALER receives a cancellation notice from an insurance carrier affording coverage herein, WHOLESALER agrees to endeavor to notify MMCAP Infuse within ten (10) business days with a copy of the cancellation notice, unless WHOLESALER's policy(ies) contain a provision that coverage afforded under the policy(ies) will not be cancelled without at least thirty (30) calendar days advance written notice to MMCAP Infuse;

WHOLESALER is responsible for payment of Contract related insurance premiums and deductibles/retentions;

If WHOLESALER is self-insured, a notification of Self-Insurance must be attached;

WHOLESALER's policy(ies) shall include legal defense fees, where applicable.

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WHOLESALE shall obtain insurance policy(ies) from insurance company(ies) having an "AM BEST" rating of A- (minus); Financial Size Category (FSC) VII or better, and authorized to do business in the State of Minnesota; and

An Umbrella or Excess Liability insurance policy may be used to supplement the WHOLESALER's policy limits to satisfy the full policy limits required by the Contract.

17.4 MMCAP Infuse reserves the right to immediately terminate the Contract if the WHOLESALER is not in compliance with the insurance requirements and retains all rights to pursue any legal remedies against the WHOLESALER. Upon pursuit of any such legal remedies, all insurance policies must be open to inspection by the State, and copies of policies must be submitted to MMCAP Infuse's authorized representative.

17.5 The WHOLESALER is required to submit Certificates of Insurance acceptable to MMCAP Infuse as evidence of insurance coverage requirements prior to commencing work under the Contract.

18. Debarment by State, its departments, commissions, agencies, or political subdivisions

WHOLESALE warrants and certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated by the State of Minnesota, the United States federal government, or any MMCAP Infuse Member Facility; and has not been convicted of a criminal offense related to the subject of this Contract. WHOLESALER further warrants that it will provide immediate written notice to the MMCAP Infuse Authorized Representative if at any time it learns that this certification was erroneous when submitted or becomes erroneous by reason of changed circumstances.

19. Certification regarding debarment, suspension, ineligibility, and voluntary exclusion

Federal money will be used or may potentially be used to pay for all or part of the work under the Contract, therefore WHOLESALER certifies that it is in compliance with federal requirements on debarment, suspension, ineligibility and voluntary exclusion specified in the solicitation document implementing Executive Order 12549. WHOLESALER's certification is a material representation upon which the Contract award was based.

20. Publicity and endorsement

- 20.1 **Publicity.** Any publicity regarding the subject matter of this Contract must identify MMCAP Infuse as the sponsoring agency and must not be released without prior written approval from MMCAP Infuse's Authorized Representative. For purposes of this provision, publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the WHOLESALER individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this Contract.
- 20.2 **Marketing.** Any direct advertising, marketing, or direct offers with MMCAP Infuse Member must be approved by MMCAP Infuse. Materials should be sent to: MMCAP.Contracts@state.mn.us. Violation of this Article may be cause for immediate cancellation of this Contract and/or MMCAP Infuse may reject any proposal submitted by the WHOLESALER in any subsequent solicitations for service contract awards.
- 20.3 **Endorsement.** The WHOLESALER must not claim that MMCAP Infuse, the State of Minnesota, or any Member State endorses its products or services, nor may MMCAP Infuse claim that the WHOLESALER endorses its products or services.

21. Governing law, jurisdiction, and venue

Minnesota law, without regard to its choice-of-law provisions, governs this Contract. Venue for all legal proceedings out of this Contract, or its breach, must be in the appropriate state or federal court with competent jurisdiction in Ramsey County, Minnesota. Except to the extent that the provisions of this Contract are clearly inconsistent therewith, this Contract will be governed by the Minn. Stat. § 336, the Uniform Commercial Code (UCC) as adopted by the State of Minnesota. To the extent this Contract entails delivery or performance of services, such services will be deemed "goods" within the meaning of the UCC except when to do so is unreasonable.

22. Antitrust.

The WHOLESALER hereby assigns to the State of Minnesota any and all claims for overcharges as to services provided in connection with this Contract resulting from antitrust violations that arise under the antitrust laws of the United States and the antitrust laws of the State of Minnesota, and/or the antitrust laws of any Member State unless otherwise assigned directly to that State by Wholesaler ("Antitrust Claim").

23. Data disclosure

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

24. Payment to subcontractors

To the extent applicable, pursuant to Minn. Stat. § 16A.1245, the prime WHOLESALER must pay all subcontractors, less any retainage, within 10 calendar days of the prime WHOLESALER's receipt of payment from the State for undisputed services provided by the subcontractor(s) and must pay interest at the rate of one and one-half percent (1.5%) per month or any part of a month to the subcontractor(s) on any undisputed amount not paid on time to the subcontractor(s).

25. Cancellation or Termination

- 25.1 **Cancellation without cause.** MMCAP Infuse or the WHOLESALER may cancel this Contract any time, without cause, upon ninety (90) days' written notice to the WHOLESALER. In the event of such a cancellation, the WHOLESALER will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed.
- 25.2 **Termination for cause.** Either party may terminate this Contract at any time, for cause, upon no less than sixty (60) days' written notice to the other party. Upon notice of termination, the noticed party shall have sixty (60) days to cure any defects.
- 25.3 **Termination for insufficient funding.** MMCAP Infuse may immediately terminate this Contract if it does not obtain funding from the Minnesota Legislature, or other funding source; or if funding cannot be continued at a level sufficient to allow for the payment of the services covered here. Termination must be by written or fax notice to the WHOLESALER. MMCAP Infuse is not obligated to pay for any services that are provided after notice and effective date of termination. However, the WHOLESALER will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed to the extent that funds are available. The State will not be assessed any costs, fees, or other charges if the Contract is terminated because of the decision of the Minnesota Legislature, or other funding source, not to appropriate funds. MMCAP Infuse must provide the WHOLESALER notice of the lack of funding within a reasonable time of MMCAP Infuse receiving that notice.

26. Non-discrimination (In accordance with Minn. Stat. § 181.59)

The WHOLESALER will comply with the provisions of Minn. Stat. § 181.59 which require:

Every contract for or on behalf of the state of Minnesota, or any county, city, town, township, school, school district, or any other district in the state, for materials, supplies, or construction shall contain provisions by which the WHOLESALER agrees:

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

27. Affirmative action requirements for contracts in excess of \$100,000 and if the WHOLESALER has more than forty (40) full-time employees in Minnesota or its principal place of business

The State intends to carry out its responsibility for requiring affirmative action by its contractors.

- 27.1 **Covered contracts and contractors.** If the Contract exceeds \$100,000 and the WHOLESALER employed more than forty (40) full-time employees on a single working day during the previous twelve (12) months in Minnesota or in the state where it has its principal place of business, then the WHOLESALER must comply with the

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requirements of Minn. Stat. § 363A.36 and Minn. R. 5000.3400-5000.3600. A contractor covered by Minn. Stat. § 363A.36 because it employed more than 40 full-time employees in another state and does not have a certificate of compliance, must certify that it is in compliance with federal affirmative action requirements.

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

27.3 Minn. R. 5000.3400-5000.3600.

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

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

- (1) The WHOLESALER must not discriminate against any employee or applicant for employment because of physical or mental disability in regard to any position for which the employee or applicant for employment is qualified. The WHOLESALER agrees to take affirmative action to employ, advance in employment, and otherwise treat qualified disabled persons without discrimination based upon their physical or mental disability in all employment practices such as the following: employment, upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.
- (2) The WHOLESALER agrees to comply with the rules and relevant orders of the Minnesota Department of Human Rights issued pursuant to the Minnesota Human Rights Act.
- (3) In the event of the WHOLESALER's noncompliance with the requirements of this clause, actions for noncompliance may be taken in accordance with Minn. Stat. § 363A.36, and the rules and relevant orders of the Minnesota Department of Human Rights issued pursuant to the Minnesota Human Rights Act.
- (4) The WHOLESALER agrees to post in conspicuous places, available to employees and applicants for employment, notices in a form to be prescribed by the Commissioner. Such notices must state the WHOLESALER's obligation under the law to take affirmative action to employ and advance in employment qualified disabled employees and applicants for employment, and the rights of applicants and employees.
- (5) The WHOLESALER must notify each labor union or representative of workers with which it has a collective bargaining agreement or other contract understanding, that the WHOLESALER is bound by the terms of Minn. Stat. § 363A.36, of the Minnesota Human Rights Act and is committed to take affirmative action to employ and advance in employment physically and mentally disabled persons.

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

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

28. E-Verify certification (In accordance with Minn. Stat. § 16C.075)

For services valued in excess of \$50,000, WHOLESALER certifies that as of the date of services performed on behalf of the State, WHOLESALER and all its subcontractors will have implemented or be in the process of implementing the federal E-Verify Program for all newly hired employees in the United States who will perform work on behalf of the State. WHOLESALER is responsible for collecting all subcontractor certifications and may do so utilizing the *E-Verify Subcontractor Certification Form* available at <http://www.mmd.admin.state.mn.us/doc/EveryfySubCertForm.doc>. All subcontractor certifications must be kept on file with WHOLESALER and made available to the State upon request.

29. Certification of Nondiscrimination (In accordance with Minn. Stat. § 16C.053)

The following term applies to any contract for which the value, including all extensions, is \$50,000 or more: WHOLESALER certifies it does not engage in and has no present plans to engage in discrimination against Israel, or against persons or entities doing business in Israel, when making decisions related to the operation of the WHOLESALER's business. For purposes of this section, "discrimination" includes but is not limited to engaging in

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refusals to deal, terminating business activities, or other actions that are intended to limit commercial relations with Israel, or persons or entities doing business in Israel, when such actions are taken in a manner that in any way discriminates on the basis of nationality or national origin and is not based on a valid business reason.

- 30. GPO Representation.** MMCAP Infuse represents and warrants that it is a "group purchasing organization" as that term is defined under 42 C.F.R. Section 1001.952(j) and that it shall comply with all applicable federal and state laws, rules and regulations, including, but not limited to, the provisions set forth in 42 U.S.C. Section 1320a-7b and the "safe harbor regulations" set forth in 42 C.F.R. Section 1001.952.
- 31. Contingency Fees Prohibited.** Pursuant to Minnesota Statutes § 10A.06, no person may act as or employ a lobbyist for compensation that is dependent upon the result or outcome of any legislation or administrative action.
- 32. Risk of Loss, Damage, and Shipping Terms.** Shipments under this Contract shall be FOB Destination, freight prepaid and allowed, to the MMCAP Infuse Member's receiving dock or pharmacy, unless otherwise agreed to by the parties in writing. Title to and risk of loss of the products transfers to the MMCAP Infuse Member upon delivery to the MMCAP Infuse Member, as set forth above.
- 33. Force Majeure.** Neither party hereto will be considered in default in the performance of its obligations hereunder to the extent that performance of any such obligations is prevented or delayed by acts of God, war, riot or other catastrophes beyond the reasonable control of the party. Force majeure will not apply to the extent that the act or occurrence could have been reasonably foreseen and reasonable action could have been taken to prevent the delay or failure to perform. A party claiming excuse of performance under this provision must provide the other party prompt written notice of the failure to perform, take commercially reasonable efforts to mitigate the damages caused to all parties, and take all necessary steps to bring about performance as soon as practicable.
- 34. Default.**
- 34.1 General.** An MMCAP Infuse Member's purchase order constitutes a binding contract. All commodities furnished will be subject to inspection and acceptance by the ordering entity after delivery. In the event of default, MMCAP Infuse and the MMCAP Infuse Member reserve the right to pursue any other remedy available by law. WHOLESALER may be removed from the WHOLESALER's list, suspended or debarred from receiving a contract for failure to comply with terms and conditions of the Contract.
- 34.2 Failure to Perform.** Upon failure to perform the following services in the time and manner as set forth herein, the following fees shall be paid by WHOLESALER:
- 34.2.1 Bid Roll.** Upon manufacturer bid roll, all contracted products shall be loaded, stocked, and viewable by all MMCAP Infuse Members, or WHOLESALER shall pay the following fee to MMCAP Infuse: \$2,500/day, not to exceed \$75,000 per bid roll cycle, until resolved.
- 34.2.2 Reports.** In the event that any report and/or data provided by the WHOLESALER, pursuant to the terms of this agreement, is not received according to schedule, contains incorrect data, incomplete data, or no data, and is more than a minor defect or causes harm to MMCAP Infuse's ability to conduct business or its governmental purpose, WHOLESALER will be allowed a three (3) day cure period or WHOLESALER shall pay the following fee to MMCAP Infuse: \$2,500/day, not to exceed \$75,000 per event, until resolved.
- 34.2.3 Inventory Management and Management of MMCAP Infuse Contract Products.** If a contracted NDC (National Drug Code) product is not loaded, stocked, and viewable by all MMCAP Infuse Members, as required pursuant to this agreement and within the timelines set forth herein, WHOLESALER shall credit to the MMCAP Infuse Member submitting the request an amount equal to two and one-half percent (2.5%) of previous month's GCN (generic code number) volume class for that Member. WHOLESALER shall credit to the Member within thirty (30) calendar days of the MMCAP Infuse Member's original request to stock the product.
- 34.2.4 Delivery Delays.** Deliveries shall be made by the WHOLESALER in accordance with the time schedules specified in Attachment A. WHOLESALER shall credit to the Member a fee of sixty dollars (\$60.00) per order not delivered within sixty (60) minutes of the delivery time scheduled, and for each day the delivery is not received, payable as a credit to the Member within fourteen (14) calendar days of WHOLESALER'S disposition of the reported delay. WHOLESALER shall not be responsible for paying the aforementioned fee for delays outside of its control. MMCAP Infuse Members must report each delivery delay to WHOLESALER within twenty-four (24) hours, giving the WHOLESALER opportunity to research the source of delay and applicability of the fee.

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34.2.5 Invoices. Where WHOLESALER submits a current and/or subsequent invoice for any fees not related directly to Product cost or not specified in Attachment B, WHOLESALER shall reference the original invoice number or purchase order number. Should the WHOLESALER inappropriately charge a fee not related directly to Product cost or a fee not specified in Attachment B, Wholesaler shall credit the inappropriately charged amount back to the MMCAP Infuse Member. There is no annual limitation attached to the recovery of fees inappropriately charged that are not related directly to Product cost or not specified in Attachment B, Wholesaler will provide a monthly report to MMCAP Infuse of any miscellaneous fees charged to MMCAP Infuse Members which are not related directly to Product cost or not specified in Attachment B.

34.2.6 Application of Fees. The application of fees herein shall not excuse WHOLESALER's performance obligations as set forth in this agreement, nor shall it waive any rights of MMCAP Infuse or MMCAP Infuse Members to seek any and all available legal and equitable remedies.

Acknowledgement. WHOLESALER acknowledges that the fees set forth above are not penalties, but rather seek to make MMCAP Infuse and MMCAP Infuse Members whole for any failure of performance by the WHOLESALER, as based upon good faith estimates as agreed to by the parties.

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

36. Dispute Resolution. WHOLESALER and MMCAP Infuse Members will handle dispute resolution for unresolved issues using the following procedure.

Notification. Parties shall promptly notify each other of any known dispute, acknowledging such dispute within five (5) business days, and work in good faith to resolve such dispute within thirty (30) calendar days.

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

Escalation. If parties are unable to resolve the issue in a timely manner, as specified above, either the MMCAP Infuse Member or WHOLESALER may escalate the resolution of the issue to a higher level of management. Where escalation of the issue proves ineffective, either party may contact MMCAP Infuse and/or the WHOLESALER's MMCAP Infuse Representative for further resolution. When escalated to MMCAP Infuse, a teleconference will be scheduled with MMCAP Infuse and the WHOLESALER's MMCAP Infuse Primary Account Representative to review the briefing document and develop a proposed resolution and plan of action. The plan and timeline must be agreed to by all parties – MMCAP Infuse, the MMCAP Infuse Member, and WHOLESALER.

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

Member Rights. In the event an MMCAP Infuse Member cannot resolve a dispute with the WHOLESALER as a result of a material breach by WHOLESALER, and the MMCAP Infuse Member has worked in good faith with MMCAP Infuse to resolve the dispute and cure the breach, the MMCAP Infuse Member(s) may change its prime Wholesaler even if the rest of the MMCAP Infuse Member state does not wish to change its wholesaler.

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

37. Required Licenses, Permits, and Registration. WHOLESALER shall have in place prior to the start of the Contract, and must maintain for the life of the Contract, all current licenses, permits and registrations required by state and federal agencies. WHOLESALER must make such documentation available upon request by MMCAP Infuse.

38. DEA License/HIN. WHOLESALER shall not require an MMCAP Infuse Member to have a DEA number in order to obtain products unless making orders for controlled substances. MMCAP Infuse Member facilities will have HIN numbers assigned by MMCAP Infuse.

- 39. Personnel Changes.** WHOLESALER shall notify MMCAP Infuse of changes in the Wholesaler's key personnel, in advance and in writing. Any employee of Wholesaler, who, in the opinion of MMCAP Infuse, is unacceptable, will be removed from the project upon written notice to the Wholesaler. In the event that an employee is removed pursuant to a written request from MMCAP Infuse's authorized representative, the Wholesaler will have ten (10) business days in which to fill the role with an acceptable employee.


[End of Contract, Signature Page Follows]


MMCAP Infuse Contract #MMS1900113

VENDOR: Cardinal Health 110, LLC and Cardinal Health 112, LLC **STATE OF MINNESOTA FOR**
MMCAP INFUSE

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

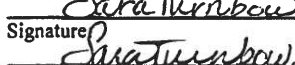
In accordance with Minn. Stat. § 16C.03, subd. 3

Name: Brad Cochran
 Signature: 
 Title: SVP, National Markets
 Date: July 11, 2019

Name: James Babbitt
 Signature: 
 Date: July 12, 2019

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

OF

Name: Sara Turnbow
 Signature: 
Sara Turnbow, PharmD, BCPS
 Date: 7-12-19

[Signature Page]

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Attachment A – Scope of Work

4.1 Definitions

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

3T Data – Data elements required by the Drug Supply Chain Security Act: Transactional History, Transactional Information, and Transactional Statement.

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

Authorized Trading Partner – as defined in the Drug Supply Chain Security Act, and regulated by the Food and Drug Administration (FDA), compliance requires that transactions only be conducted between Authorized Trading Partner.

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

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

CIN – Corporate Item Number

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

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

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

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

DSCSA – Drug Supply Chain Security Act

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

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

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

MMCAP Infuse Contract File Updates – electronic files sent by the MMCAP Infuse Office to the Wholesaler which provide batched MMCAP Infuse Contract Product and MMCAP Infuse contract pricing information. The MMCAP Infuse Contract File Updates are usually sent to the Wholesaler on a weekly basis. The first file (titled “Update [sequential number]”) details the MMCAP Infuse contract changes that have occurred since the last weekly communication from the MMCAP Infuse Office. The second file (titled “[sequential number] Contract [8-digit date]”) is a listing of the entire MMCAP Infuse contract as of the date provided in the title. The third file (titled “[sequential number] Pending [8-digit date]”) is a listing of the MMCAP Infuse Contract Products with future effective dates.

MMCAP Infuse Member(s) – Any of the MMCAP Infuse member states and any other members added or deleted during the life of the Contract and any extensions. MMCAP Infuse Members shall be considered third-party beneficiaries of this Contract.

MMCAP Infuse Participating Facility - Any facility listed by the MMCAP Infuse Office as an active participant of MMCAP Infuse program. A current listing of MMCAP Infuse Facilities is made available to all MMCAP Infuse vendors monthly. MMCAP Infuse Participating Facilities shall be considered intended third-party beneficiaries of this Contract.

Both *MMCAP Infuse Member(s)* and *MMCAP Infuse Participating Facility* may be referenced as “MMCAP Infuse Member(s)”, when applicable throughout the Scope of Work.

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

MMCAP Infuse
Minnesota Department of Administration
Office of State Procurement
112 Administration Building
50 Sherburne Avenue
St. Paul, MN 55155

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

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

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

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

Non-Contract Product - Any product that does not appear on an MMCAP Infuse contract, 340B Drug Pricing Program contract, Wholesaler's Generic Drug Program, and/or MMCAP Infuse Participating Facility's individually negotiated contracts.

Pedigree - A record containing information regarding each transaction resulting in a change of ownership of a given medication, from sale by a manufacturer, through acquisition and sale by one or more wholesalers, manufacturers, or pharmacies, until final sale to a pharmacy or other person furnishing, administering, or dispensing the medication. Pedigree is provided through DSCSA 3T Data.

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

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

Wholesaler - Also referred to as Vendor, Pharmaceutical Prime Vendor, or Prime Vendor, is a business that functions as a purchaser's source of distribution for a wide array of pharmaceutical and related Products as identified by the MMCAP Infuse Participating Facility. A Wholesaler is responsible for maintaining and distributing an Adequate Supply of pharmaceuticals and related Products and any other items contracted for that are dispensed through the MMCAP Infuse Participating Facilities' pharmacy service.

4.2 Service Area

As of the Contract effective date, Wholesaler will provide the full range of contracted services under this Contract to all requesting MMCAP Infuse Participating Facilities and/or MMCAP Infuse Members. Unless approved by MMCAP Infuse in writing, Wholesaler must provide services to all MMCAP Infuse Participating Facilities within a state (not partial service coverage), subject to the requirements of Section 4.4. The MMCAP Infuse Office (represented by the term MMCAP Infuse) reserves the right to add or delete MMCAP Infuse Members at any time during the Contract term.

Wholesaler will provide service to the MMCAP Infuse Members specified in an amendment.

4.3 Customer Service

A. Customer Service to MMCAP Infuse

The Wholesaler will designate an Account Management Team for MMCAP Infuse. The assigned Account Management Team will have the depth of experience needed to serve in a solution-oriented role. The principal resources identified by the Wholesaler are confirmed as to having the authority to make decisions on behalf of the Wholesaler and to be empowered to provide accountability. The Account Management Team will be staffed with qualified resources along with additional resources to provide sufficient back-up support in the event that the principal resources become unavailable.

1. The Wholesaler's designated Primary Account Representatives for MMCAP Infuse will be Wendy Sease, Director State Government, wendy.sease@cardinalhealth.com, 651-247-0695, Clay Miller, Manager State Government, clay.miller@cardinalhealth.com, 614- 757-6763, and Alex Fox, Manager State Government Compliance, alex.fox@cardinalhealth.com 614-757-9449.
2. Additional functional contacts are:
 - a. Contract issues/discrepancies (product stocking, product loading, pricing): Tiffany Kuhel, Consultant tiffany.kuhel@cardinalhealth.com, 614-757-7528.
 - b. Class of trade issues (contract eligibility, denials, etc.): Tiffany Kuhel, Consultant tiffany.kuhel@cardinalhealth.com, 614-757-7528.
 - c. Issues concerning MMCAP Infuse's invoice auditing service: Tiffany Kuhel, Consultant tiffany.kuhel@cardinalhealth.com, 614-757-7528.
 - d. Wholesaler distribution service fees: Alex Fox, Manager State Government Compliance, alex.fox@cardinalhealth.com, 614- 757-9449.
 - e. Data/reporting issues: Alex Fox, Manager State Government Compliance, alex.fox@cardinalhealth.com, 614- 757-9449.
 - f. Shareback fee process: Jason Gawlik, Consultant Account Management, Jason.gawlik@cardinalhealth.com, 614-757-7468
 - g. Electronic invoice auditing dispute resolution: Tiffany Kuhel, Consultant tiffany.kuhel@cardinalhealth.com, 614-757-7528.
 - h. Service fee /cost of goods discounts:

Regional Leaders and Senior Specialists will be responsible for any service fee discount inquiries specific to their assigned member states. Any escalated inquiries surrounding service fee/cost of goods discounts should be directed to Clay Miller, clay.miller@cardinalhealth.com, 614- 757-6763.

i. DSCSA: Alex Fox, Manager State Government Compliance, alex.fox@cardinalhealth.com , 614- 757-9449

j. Accounts receivable: Michelle Janlin, Collections Manager, michelle.janlin@cardinalhealth.com , 614-822-4135

k. Accounts Payable: Alex Fox, Manager State Government Compliance, alex.fox@cardinalhealth.com , 614- 757-9449

3. In the event the MMCAP Infuse determines the Primary Account Representative is non-responsive, MMCAP Infuse will escalate to Brad Cochran, Senior VP National Markets Pharmaceutical Division, Brad.Cochran@cardinalhealth.com, 614-553-3635, to take appropriate corrective action for problem resolution.
4. The Wholesaler must provide advanced written notification to MMCAP Infuse of changes in the Wholesaler's key administrative personnel. Any employee of Wholesaler, who, in the sole opinion of MMCAP Infuse, is unacceptable, will be removed from the project upon written notice to the Wholesaler, provided such removal is for lawful reasons. In the event that an employee is removed pursuant to a written request from MMCAP Infuse's authorized representative, the Wholesaler will have ten (10) business days in which to fill the vacancy with an acceptable employee. There will be no charge to MMCAP Infuse or the MMCAP Infuse Members for replacement personnel assigned and Wholesaler agrees that each such replacement has acquired the necessary orientation and background to make a productive contribution.
5. Business Review
 - a. Wholesaler will hold monthly business reviews at MMCAP Infuse's office with the Wholesale's Primary Account Representative(s), as deemed necessary by MMCAP Infuse's Pharmacy Distribution Services Coordinator.
 - b. Wholesaler will hold quarterly business reviews at MMCAP Infuse's office with the Wholesaler's Primary Account Representative(s) and others from the Wholesaler's Corporate Office to address, at a minimum, the following:
 - Sales Data
 - Contract Financials (discounts, fees, cost of goods, etc.)
 - Contract Compliance/Category Breakdown
 - Inflationary/Budget Related Data
 - Managed Care News/Updates
 - Service Levels by distribution center, by MMCAP Infuse Members (state and facility), and for MMCAP Infuse as a group
 - Contract Activity
 - Success Stories and Opportunities Ongoing.
 - DSCSA Updates
 - Any federal and/or state legislation affecting MMCAP Infuse Members and/or the pharmaceutical industry
 - Proactive Product Information
 - Pharmaceutical distribution impacts and trends; pharmaceutical industry updates
 - Contract Activity Reporting
 - Compliance Activity Reporting
 - Purchase Activity Reporting
 - EDI Setup Audits
 - Customer Satisfaction
 - Relevant current and planned initiatives, both of MMCAP Infuse and the Wholesaler, and any associated action plans

- Wholesaler Performance
6. Wholesaler and MMCAP Infuse agree to conduct a complete contract review no later than January 31, 2020 to determine areas of non-compliance from both parties. This review will be done annually, with the due date tied to the anniversary date of the effective date of the Contract.

B. Customer Service to MMCAP Infuse Participating Facilities

1. Customer Service Department

Wholesaler will provide the MMCAP Infuse Participating Facilities access to the Wholesaler's customer service department, which at a minimum, consists of the following:

1. Customer support centralized in two national call centers located in Radcliff, Kentucky and Little Rock, Arkansas.
2. Wholesaler's overseas call center may be used only for business continuity situations, unless approved in writing by MMCAP Infuse. Wholesaler will provide prompt notice of any overseas call center use and will provide a monthly report to MMCAP Infuse detailing the number of calls going to the overseas call center.
3. Access to customer service representatives with principal responsibilities in the areas of order entry, Drop Shipment ordering, stocking issues, and general customer service requests.
4. Customer service hours of operation are 7:30 a.m. – 9:00 p.m. (Eastern Standard Time) Monday through Friday (excluding the following national holidays: Christmas, New Years Day, Thanksgiving Day, Memorial Day, the Fourth of July, and Labor Day).
5. Wholesaler's customer service can be reached toll free at 866-641-1199, by fax at 866-551-0530, or by e-mail at GMB-P_SPL_V_GOV@cardinalhealth.com. Faxed orders should include Member account number, CIN and/or NDC, quantity, and PO is applicable.
6. Wholesaler's technical support is available from 7:00 AM – 8:00 PM EST, Monday through Friday, by calling 1-833-518-4555. Wholesaler's technical staff on site will check voicemail every hour and will respond in the order the voicemail is received. From 8:00 PM until 7:00 AM EST and on weekends, the line will transfer to an off-shore Wholesaler staff member.
7. Emergency Call Procedures are for life critical emergency situations only that require product before the Next Scheduled Delivery Day:

Emergency Call Procedure for the Fastest Response

- a. During normal business hours (Monday-Friday 7:30 am to 9:00 pm Eastern Standard Time), call customer service at 866-641-1199.
- b. Outside normal business hours, please call 877-772-0346. An answering service representative will take the message and a Cardinal Health employee will promptly return the call. MMCAP Infuse Participating Facilities will need to provide their servicing distribution center name, account name and number, a contact name, and a call back phone number available.

2. MMCAP Infuse Members' Customer Account Representatives

1. MMCAP Infuse State Contacts. Each MMCAP Infuse State Contact will have a designated account management Regional Leader appointed by the Wholesaler's Primary Account Manager to meet with both MMCAP Infuse Field Services representative, Senior Account Executive, where regionally available, and MMCAP Infuse State Contact and other state representatives on a quarterly basis to discuss, at a minimum, the following:
 - a. Customer satisfaction
 - b. Wholesaler performance – Service Levels
 - c. Purchases
 - d. State account performance (COGs, payment terms, etc.)
 - e. Reports (e.g., contract compliance, contract opportunities)
 - f. Opportunities for Improvement
 - g. Projects and Initiatives
 - h. Other
2. MMCAP Infuse Participating Facilities. Wholesaler will provide an account management Regional Leader for each MMCAP Infuse Participating Facility with average volume of \$25,000 per month or more. This Regional Leader will serve as a liaison between the MMCAP Infuse Participating Facility and Wholesaler, managing the working and strategic relationship to ensure quality of service

delivery and customer satisfaction. In managing the relationship, the assigned Regional Leader will utilize various relationship management contact options, including the MMCAP Infuse Field Services representatives, Senior Account Executives, whenever possible, dependent upon the needs of the MMCAP Infuse Participating Facilities. Dedicated Senior Specialists are assigned to support the Regional Leaders and will also have individual account management responsibilities for those MMCAP Infuse Participating Facilities with an average volume of less than \$25,000 per month. The Regional Leaders will make routine on-site visits to discuss performance issues and solve problems according to the following schedule:

Average Monthly Purchasing Volume	Frequency of Contact with MMCAP Infuse Participating Facility	Type of Contact
\$0 - \$5,000	Dialogue with MMCAP Infuse Participating Facility once every six (6) calendar months unless otherwise requested by the MMCAP Infuse Participating Facility.	Telephone Call
\$5,001 - \$10,000	Dialogue with MMCAP Infuse Participating Facility once every three (3) calendar months unless otherwise requested by the MMCAP Infuse Participating Facility.	Telephone Call
\$10,001 - \$25,000	Dialogue with MMCAP Infuse Participating Facility once every thirty (30) calendar days unless otherwise requested by the MMCAP Infuse Participating Facility.	Telephone Call Onsite visits available upon reasonable request
\$25,001 – and up	1. Customer Business Reviews offered quarterly. 2. Dialogue with MMCAP Infuse Participating Facilities once every thirty (30) calendar days or as needed	1. On-site visit or Telephone Call 2. On-site visit or Telephone Call
State Purchasing Contact	Dialogue offered monthly or as desired by State Purchasing Contact. State contacts are to be included in quarterly Member Customer Business Reviews desired.	On-site visit or telephone call

- Quarterly business reviews where issues are raised by any of the participants, MMCAP Infuse State Contact, MMCAP Infuse Participating Facilities, or the assigned MMCAP Infuse Senior Account Executive, Wholesaler will have a formal process of follow-up for issue resolution. A committed timeline to resolution is to be established, and completion of that resolution is to be provided to the participants.
- Additional Resources. Wholesaler will provide adequate staffing resources for both field operations to provide direct service for the MMCAP Infuse Members and corporate operations to assist MMCAP Infuse. These resources will provide facility targeted approaches to solve specific problems and determining solutions for operational, contract compliance and inventory management issues. Designated resources may fluctuate up or down depending on volume and business need.
- While issue resolution times may vary based upon the specific request being made, Wholesaler will acknowledge receipt and respond to a MMCAP Infuse Member's issue immediately when contacted by phone, and within one business day when unable to be reached, or if contacted via eMail. Additionally, Wholesaler has an intentional backup/escalation structure in place to address MMCAP Infuse Member issues or concerns when the primary Account Management resource is out of the office or unavailable.
- The Wholesaler's State Government Account Management Regional Leaders will maintain both a working and strategic relationship with MMCAP Infuse Member-assigned MMCAP Infuse Senior Account Executives. The Regional Leaders will make every effort to coordinate schedules between any MMCAP Infuse State Contact, and/or MMCAP Infuse Participating Facility, along with the assigned MMCAP Infuse Senior Account Executive. Given travel scheduling for MMCAP Infuse Senior Account

Executives, Wholesaler should provide at least fifteen (15) business days advance notification of any scheduled meeting between the Wholesaler, and any potential MMCAP Infuse State Contact or MMCAP Infuse Participating Facility when the meeting topics include, but not limited to, use of this Contract, legislative activities concerning any products or services covered by this Contract, requests for proposal, or expansion of the Wholesaler's presence in that organization or state. If an MMCAP Infuse Senior Account Executive is not an attendee at a scheduled meeting, the Wholesaler agrees to provide a detailed account of the meeting to the Senior Account Executive and will make its best efforts to provide this information no later than five (5) business days after the meeting.

3. MMCAP Infuse State Contacts and MMCAP Infuse Participating Facility Satisfaction Survey

Wholesaler will solicit an MMCAP Infuse pre-approved, annual survey with all MMCAP Infuse State Contacts and a representative random sample of MMCAP Infuse Participating Facilities. The goal is an overall average survey score of 3.5 out of 5 points. The Wholesaler will share the raw survey responses for those survey areas that score below 3.5 and will devise an action plan(s) to address deficiencies, presenting status updates at quarterly Executive Business Reviews, or more frequent as appropriate.

4.4 Contract Transition and Implementation

If the MMCAP Infuse Member is currently contracting with the Wholesaler for the services, or substantially similar services, as set forth in this Attachment A, Wholesaler will transition each MMCAP Infuse Member from the existing contract (and existing contract terms) to this Contract (and its terms) on the Contract execution date. If a facility becomes an MMCAP Infuse Member currently utilizing the Wholesaler under an alternative distribution contract and wants to transition to the MMCAP Infuse contract with the Wholesaler, the new MMCAP Infuse Member will transition 1st day of the next available month.

If the MMCAP Infuse Member is not currently contracting with the Wholesaler for the services or substantially similar services, as set forth in Attachment A, Wholesaler will develop a transition plan for the MMCAP Infuse Member, deploy the plan, and implement this Contract (and its terms) for the MMCAP Infuse Member on the Contract execution date.

Transition from an existing contract to this Contract must occur on the Contract execution date or on the 1st day of a month, and no other day. Transitions to and from this Contract can occur during the Contract term. Transition plan timelines will be identified, with a minimum of a 60 (sixty) calendar day transition plan.

In completing this transition, Wholesaler shall work with MMCAP Infuse Staff and MMCAP Infuse Participating Facilities to determine the appropriate steps and schedule, subject to the above, for the transition. Wholesaler acknowledges that the transition may be dependent upon the terms of the existing contracts and subject to the notice provisions contained therein. MMCAP Infuse and MMCAP Infuse Participating Facilities acknowledge that the transition is dependent on Wholesaler receiving all documentation from the MMCAP Infuse Participating Facility required for account set-ups. This plan will detail the phase-in of the Wholesaler's operations at the MMCAP Infuse Member with a 100% operating level at the onset of the contract effective date.

Satisfaction of a 100% operating level will include:

1. Installation and testing of all electronic ordering equipment
2. Training of employees
3. Bar coding and shelf labeling
4. Price loading of all MMCAP Infuse Contract Products
5. Wholesaler's internal inventory preparation and distribution system, based on current MMCAP Infuse Participating Facilities' sales and usage data
6. Wholesaler's plan to ensure that stocking and chargeback agreements are in place with all MMCAP Infuse-contracted vendors

Wholesaler's standard procedure for implementing a new MMCAP Infuse Participating Facility is:

Week 1

Wholesaler Distribution Services Contract Signed

A minimum of ninety (90) calendar days up to six (6) months detailed usage provided from MMCAP Infuse to Wholesaler

Provide site listing from MMCAP Infuse to Wholesaler

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

Week 2

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

Week 3

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

Weeks 4 and 5

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

Week 6

Schedule post-implementation review
 Schedule Business Review meeting

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

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

1. Confirmation of MMCAP Infuse Membership (i.e., MMCAP Infuse ID, etc.)
2. DEA License
3. State License
4. State Controlled Substance License (if applicable)
5. Sales Tax Exempt Certificate
6. Signed Prescription Drug Marketing Act (PDMA) Form
7. Customer Item Usage File (most recent ninety (90) days to six (6) months of purchases)
8. Other forms as applicable, specific to class of trade requirements

Wholesaler does not require a credit application for MMCAP Infuse Members.

Once a new account number has been established for the MMCAP Infuse Member, Wholesaler will validate the MMCAP Infuse contract eligibility against the roster provided by MMCAP Infuse and attach the appropriate base contracts. Communication will be sent out to manufacturers/suppliers to determine for which additional MMCAP Infuse tiered contracts the MMCAP Infuse Member is eligible. Eligible contracts will be attached accordingly.

Wholesaler's Account Management Team, with support from the Wholesaler's technical marketing team, will provide any necessary training to MMCAP Infuse Members, including initial account set-up as well as any

continuing training needs. Training after initial account set-up will need to be communicated by the MMCAP Infuse Member to their Wholesaler contact.

No documentation is required by Wholesaler outside of notification that a Member intends to use one of the applicable services for repackaging, invoice auditing, and returned goods services. However, in order for Wholesaler to send data to DSCSA 3T Data subscription services, Wholesaler requires the completion of the "Notice of Release for DSCSA Transaction Data to 3rd Party" form.

Wholesaler will provide an inventory of MMCAP Infuse Contract Products sufficient to meet the needs of the MMCAP Infuse Participating Facilities from the beginning of the MMCAP Infuse contracting period. Historical usage data will be provided by MMCAP Infuse six weeks prior to the start of the contract period. Wholesaler must have all MMCAP Infuse Contract Products loaded in its ordering system, Order Express. Wholesaler is fully committed to being able to support inventory needs of a state at Contract start date.

4.5 Inventory Management

A. MMCAP Infuse-Contracted Manufacturers

For the term of this Contract, Wholesaler will have contracts with all MMCAP Infuse-contracted manufacturers as required to provide all MMCAP Infuse Contract Products and perform the services described in this Contract to MMCAP Infuse Participating Facilities. Exceptions must be approved in writing by MMCAP Infuse.

B. Bid-Roll

For the term of this Contract, Wholesaler will agree to work with MMCAP Infuse during Bid-Roll intervals for both generic and brand MMCAP Infuse Contract Products. During each of these intervals, the Wholesaler is required to provide resources to work with MMCAP Infuse, supporting weekly, or more frequent, meetings for status check-ins, beginning with the receipt of the MMCAP Infuse contract files forty-five (45) calendar days in advance of the effective date of the specific Bid-Roll interval. The Wholesaler is required to establish and update a confirmation log, which will be utilized for the weekly updates. As the effective date approaches, if daily check-ins should become necessary to meet process goals, the Wholesaler will support any escalated efforts to ensure that preparations are in place to manage the inventory stocking requirements.

The Wholesaler agrees to provide Inventory Reporting, specific to products that are:

1. Manufacturer Allocated
2. Manufacturer discontinued
3. Wholesaler discontinued
4. NDC changes
5. Backorders
6. No contract with manufacturer status
7. No Loads
8. Stock status by distribution center (DC)

to ensure that Bid-Roll is synchronized for the specific effective date interval of the Contract Product roll. Wholesaler's ability to stock MMCAP Infuse Contract Products may be delayed if there is a delay in the receipt of manufacturer/supplier setup information, product availability, and supplier lead-time. In addition, if there are manufacturer/supplier minimum order requirements, or if the product does not meet minimum usage requirement of 3 units per month per distribution center, stocking could be impacted.

The Wholesaler will process Bid-Roll reporting to shift purchasing demand from one item to another based on MMCAP Infuse Contract Product changes, managing inventory to reflect that shift demand.

The Wholesaler agrees to complete an audit of the contract load prior to the effective date of the specific Bid-Roll interval and weekly through the first month that the new contracts are in place.

C. MMCAP Infuse Contract Products

The Wholesaler will be required to sufficiently stock MMCAP Infuse Contract Products. Wholesaler will be required to stock inventory of MMCAP Infuse Contract Product unless there are fewer than three (3) units sold per month per distribution center. If there is volume of three (3) units or more of an equivalent product, Wholesaler will be required to stock inventory of MMCAP Infuse Contract Product based on equivalent product sales as requested by MMCAP Infuse. MMCAP Infuse Contract Products that do not meet the units sold

threshold and which are not stocked will be expected to still be viewable within Wholesaler's online ordering system and orderable through Customer Service with a request to stock the specific product.

1. Wholesaler will not create unreasonable barriers in order to stock an MMCAP Infuse Contract Product.
2. MMCAP Infuse must be notified in writing no later than five (5) business days if any of the MMCAP Infuse contracted manufacturers' contracts are terminated or expire via a Weekly Contract Changes report found in Section 4.20 D. MMCAP Infuse reserves the right to modify the MMCAP Infuse-contracted manufacturers list at any time during the Contract term.
3. Wholesaler will load all contract pricing changes and product additions or deletions within five (5) business days following receipt from the manufacturer/supplier. Wholesaler will cooperate with MMCAP Infuse to ensure the smooth transition of portfolio changes. Such cooperation will include timely loading of new manufacturer/supplier agreements, timely loading of new products to the ordering system catalog, and moving inventory demand from equivalent products purchased by MMCAP Infuse Members to the newly awarded contracted item. Product will generally be in stock at the distribution centers no longer than twenty (20) business days.
4. Wholesaler acknowledges and agrees to carry utilization (demand) history for a minimum of sixty (60) calendar days. If any Product has not been ordered after sixty (60) calendar days, utilization history can be decreased in Wholesaler's inventory management system.
5. Wholesaler is fully committed to being able to support inventory needs of a state at Contract start date. Thereafter, Wholesaler's buying system will acknowledge created demand and purchase inventory to meet said demand. Inventory will be maintained according to Wholesaler's Service Level and inventory parameters. See also Section 4.4, Contract Transition and Implementation.
6. Wholesaler will carry the inventory essential to exceed targeted service levels. Inventory levels may vary by Distribution Center and product category depending on MMCAP Infuse Members mix and risk factors in the product portfolio. Wholesaler carries an average of twenty-two (22) calendar days inventory on hand across their distribution network.
7. Wholesaler is responsible for providing an inventory forecasting report to MMCAP Infuse as requested. This report will monitor and forecast ordering, usage patterns, as well as, identify significant trends, including increases and decreases in purchases. Monthly contract compliance reports to monitor purchases of Non-Contract Products will also be available to MMCAP Infuse upon request.
8. Wholesaler may not discontinue stocking an MMCAP Infuse Contract Product unless there are fewer than three (3) units sold per month per distribution center. For Products marked as non-stock, Wholesaler must submit a monthly report detailing how equivalent generic purchasing is impacting non-movement.
9. Timeline for new MMCAP Infuse Contract Product additions. For newly added MMCAP Infuse Contract Products that are currently available, Wholesaler will have the Products loaded, stocked and viewable in its system and ready for delivery in accordance with the goals specified in Table 4.5E: Wholesaler Created Stock Outage.
10. Timeline for MMCAP Infuse Contract Products that are not stocked. For MMCAP Infuse Contract Products that are not stocked, an MMCAP Infuse Participating Facility may request the Wholesaler to add the Product to inventory at the applicable distribution center by contacting customer service or its account representative. Wholesaler will have the Products loaded, stocked and viewable in its system and ready for delivery in accordance with the goals specified in Table 4.5E: Wholesaler Created Stock Outage, unless the MMCAP Infuse Contract Product is delayed due to manufacturer unavailability or other factors outside Wholesaler's control. In the event the fulfillment of any of the requests will take longer than what is specified in Table 4.5E: Wholesaler Created Stock Outage, Wholesaler will provide prior written notice of the delay and the reason for the delay to the requesting MMCAP Infuse Participating Facility and MMCAP Infuse.
11. Wholesaler will transfer product from other distribution centers for critical needs if product is available for transfer. When there is a supply disruption, the Wholesaler will deploy the fastest path back to stock, which could be the National Logistics Center (NLC), another distribution center or ordering product directly from the manufacturer/supplier. If Wholesaler cannot bring an item in to the network of distribution centers, Wholesaler will set up an ordering process of drop shipping product utilizing Wholesaler's customer service team to generate purchase orders with the direct manufacturers/suppliers if allowed by the manufacturer/supplier.
12. In the event MMCAP Infuse chooses to process Failure to Supply claims on behalf of MMCAP Infuse Participating Facilities, the Wholesaler is to receive thirty (30) days' advance written notice. Wholesaler agrees to accept electronic claims from MMCAP Infuse, and/or MMCAP Infuse Participating Facilities. Electronic claims will identify the specific Contract Products for which alternative products were

purchased and the amount of reimbursement claimed on behalf of each MMCAP Infuse Participating Facility for the additional cost incurred in purchasing the alternative products. Reimbursement amounts will be calculated by subtracting the MMCAP Infuse Product invoice amount from the purchase invoice amount, excluding all other fees. Wholesaler must pay such claims in the form of a credit within fifteen (15) calendar days of resolution of a claim described above. If the Wholesaler does not pay such claim within such thirty (30) calendar day period, MMCAP Infuse will have the right to charge, and the Wholesaler agrees to pay, a late fee equal to the statutory maximum, defined in Minn. Stat. § 16D.13, as the allowable percentage per month of the amount of any unpaid claim.

13. Wholesaler's designated contacts for all usage, inventory, and special order questions for MMCAP Infuse are Marie Rineveld, marie.rineveld@cardinalhealth.com, 614-757-4173. MMCAP Infuse Participating Facilities can also contact their account representatives or customer service.

D. Public Interest Programs

MMCAP Infuse participates in Public Interest Pricing (PIP) Programs to assist MMCAP Members in acquiring certain products that are considered necessary for a crisis, for example NARCAN® for the opioid crisis. The Wholesaler is expected to work in partnership with MMCAP Infuse to participate in these programs in the contract price requirements, contingent on a mutual agreement between MMCAP, Cardinal Health, and the manufacturer.

Wholesaler will provide NARCAN® at Public Interest Pricing less the applicable service fee discount (cost of goods), contingent on a continued mutual agreement between MMCAP, Cardinal Health, and the manufacturer of NARCAN®.

E. Special Orders

1. All large, one-time orders should be requested through the MMCAP Infuse Participating Facility's Wholesaler account representative or customer service.
2. Special requests may be, but are not limited to: a) special one-time orders, b) governmental entities placing large orders at the end of their fiscal year, c) items to be added to usage information to ensure they are included as routine stock items at the distribution center, d) large quantities of identical lot numbers
3. For large volume orders, no more than ten (10) business days for processing and delivery will be required, subject to supplier availability. Wholesaler will need additional time for special requests requiring the same lot number.
4. Large, one-time orders are not returnable without prior approval of manufacturer or Wholesaler. Wholesaler commits the resources to working with the MMCAP Infuse Participating Facility and the manufacturer to find a solution if the product must be returned.
5. Stockpiling Program orders will be facilitated through the Wholesaler Contract Consultant to provide timely review of the specific items to be purchased, dating, and stocking availability for the order to be fulfilled. Appropriate communication throughout the process, from initiation to delivery, will be provided to the MMCAP Infuse Participating Facility as well as the MMCAP Infuse Stockpiling Program Coordinator and MMCAP Infuse Pharmacy Distribution Services Assistant Coordinator.

F. Wholesaler Created Stock Outages

1. Backorders due to Wholesaler created Stock Outages will be fulfilled in accordance with the goals specified in Table 4.5E: Wholesaler Created Stock Outage.
2. Wholesaler will have the manufacturer ship directly to the MMCAP Infuse Participating Facility for Next Day Delivery if available by the manufacturer and if the Product is deemed critical by the MMCAP Infuse Participating Facility. MMCAP Infuse agrees to work with Wholesaler on abusive situations.
3. MMCAP Infuse Participating Facilities that have MMCAP Infuse Contract Products, deemed critical, drop shipped to them directly from a manufacturer as a result of Wholesaler created Stock Outages will not be charged additional fees.
4. Manufacturer fees or fees to expedite orders for MMCAP Infuse Contract Products drop-shipped due to Wholesaler created Stock Outages are not allowed.
5. MMCAP Infuse Contract Products that are drop-shipped due to Wholesaler created Stock Outages will have Wholesaler's service fee discount applied.
6. MMCAP Infuse Participating Facilities can place Products on backorder by calling Wholesaler's customer service department, otherwise orders for Products on backorder will be cancelled. Placing a Product on backorder enables the MMCAP Infuse Participating Facility to receive the Product upon availability without placing a reorder. The option to utilize auto-backorder function is available, but must

be approved by the MMCAP Infuse Participating Facility. Use of Order Express will allow the MMCAP Infuse Participating Facility to select order exceptions from the Order Confirmation, and choose to add the Product(s) on a Backorder List. This Backorder List displays updated availability information and may be edited by the MMCAP Infuse Participating Facility. When a backorder Product comes back into stock and is allocated to the order, the MMCAP Infuse Participating Facility will receive an alert in Order Express that the Product is available to ship.

7. If Product is transferred from an alternative distribution center in order to resolve a Stock Outage situation due to Wholesaler created Stock Outages no fees will apply.
8. If the Wholesaler fails to make prompt shipment of MMCAP Infuse Contract Products due to Wholesaler created Stock Outages, Wholesaler's ordering system(s) view errors, cancellations by Wholesaler, or backorders (excluding manufacturer back-orders), the ordering MMCAP Infuse Participating Facility may buy an alternate equivalent (generic) substitute Product from Wholesaler for the period in which the Wholesaler is unable to provide the Product. The Wholesaler will be liable to the MMCAP Infuse Participating Facility for any excess cost over the MMCAP Infuse Contract Product price and the alternate price of the Non-Contract Product. This will be in effect for ninety (90) calendar days from the date the Wholesaler is first unable to supply the Product to an MMCAP Infuse Participating Facility. Credits due to an MMCAP Infuse Participating Facility based on excess Product procurement costs caused by a Wholesaler created Stock Outage or cancellation/backorder will be routed from the Wholesaler back to the participating MMCAP Infuse Participating Facility in the form of an account credit.
9. When an MMCAP Infuse Participating Facility calls in regard to a Product that is temporarily out of stock, customer service will coordinate efforts through the servicing Distribution Center and applicable Inventory Departments to bring the requested Product into stock, as long as the minimum stocking requirement of three (3) units per month is met. It is acknowledged by MMCAP Infuse that applicable Pedigree requirements may limit the Wholesaler's ability to provide alternate service for temporarily out of stock and other product shortages.
10. Wholesaler will notify MMCAP Infuse at least ten (10) business days in advance of any changes to the list of possible inventory stocking codes viewable on its online ordering system. A complete list of all possible stocking codes and thorough descriptions of each code will be provided. MMCAP Infuse and MMCAP Infuse Participating Facilities must be informed of any potential changes to demand shift logic and stocking request procedures.

Table 4.5 F: Wholesaler Created Stock Outage

Wholesaler created "Stock Outages"	Goal to have stock available to ship to an MMCAP Infuse Participating Facility	Criteria for when Failure to Supply (FTS)* Applies
Current Contract Products		
MMCAP Infuse Contract Product not in stock in Distribution Center and stock is available from national warehouse if applicable.	<ul style="list-style-type: none"> Goal: Three (3) business days. 	<ul style="list-style-type: none"> FTS applies when Wholesaler has exceeded four (4) business days. FTS applies when Wholesaler has exceeded six (6) business days for MMCAP Infuse Contract Products that are not stocked due to utilization levels
MMCAP Infuse Contract Product not stocked in distribution center, available from another distribution center (if applicable) where there may be a Contract Product item surplus.	<ul style="list-style-type: none"> Goal: Three (3) business days. 	<ul style="list-style-type: none"> FTS applies when Wholesaler has exceeded four (4) business days.

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Table 4.5 F: Wholesaler Created Stock Outage (Cont.)

Wholesaler created “Stock Outages”	Goal to have stock available to ship to an MMCAP Infuse Participating Facility	Criteria for when Failure to Supply (FTS)* Applies
Current Contract Products		
MMCAP Infuse Contract Product not in stock at a specific distribution center, and not stocked at the national warehouse or another distribution center, when the MMCAP Infuse Participating Facility attempts to order and subsequent request to stock is made to Wholesaler (assumes Contract Product is not MBO or on Manufacturer Allocation).	<ul style="list-style-type: none"> Goal: Five (5) business days. 	<ul style="list-style-type: none"> FTS applies when Wholesaler has exceeded eight (8) business days for Rx and twelve (12) business days for Consumer Health/OTC products for MMCAP Infuse Products currently meeting three (3) units of usage at the distribution center. FTS applies when Wholesaler has exceeded twelve (12) business days for MMCAP Infuse Contract Products that are not stocked due to utilization levels.
Newly Added Contract Products		
New Contract Product – relationship with Mfg/Sup already established and NDC/UPC is already stocked at the distribution center for other Wholesaler’s customers.	<ul style="list-style-type: none"> Goal: Three (3) Business Days. 	<ul style="list-style-type: none"> FTS applies when Wholesaler has exceeded four (4) business days from the time the Wholesaler receives notification that the Product has been added to the MMCAP Infuse Contract.
New Contract Product– relationship with Mfg/Sup already established; product is not stocked at National Logistics Center or distribution centers for other customers.	<ul style="list-style-type: none"> Goal: Ten (10) Business Days. 	<ul style="list-style-type: none"> FTS applies when Wholesaler has exceeded twelve (12) business days from the time the Wholesaler receives notification that the Product has been added to the MMCAP Infuse Contract.
New Contract Product – relationship with Mfg/Sup needs to be established	<ul style="list-style-type: none"> Goal: Not to exceed ninety (90) calendar days from the time the Wholesaler receives notification that the Product has been added to the MMCAP Infuse Contract. 	Due to the variability in the timing of establishing a new manufacturer/supplier relationship, an MMCAP Infuse Participating Facility will not have access to a Failure to Supply remedy, unless Wholesaler fails to inform MMCAP Infuse, in writing, of difficulties with the specific manufacturer/supplier.

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Table 4.5 F: Wholesaler Created Stock Outage (Cont.)

Wholesaler created “Stock Outages”	Goal to have stock available to ship to an MMCAP Infuse Participating Facility	Criteria for when Failure to Supply (FTS)* Applies
Shift Demand		
<p>Shift demand of Cardinal Key equivalent(s) when a lower priced product comes on as a new Contract Product</p> <p>Assumes manufacturer has product available to ship to the Wholesaler, as of the specified effective date.</p>	<ul style="list-style-type: none"> • Goal: Ten (10) business days. 	<ul style="list-style-type: none"> • FTS applies when Wholesaler has exceeded twelve (12) business days MMCAP Infuse provides notification to the Wholesaler or the new Contract Product effective date, whichever is later, to ensure the new generic Product is loaded, viewable, and stocked at each distribution center where there is MMCAP Infuse Contract and/or Non-Contract usage for Cardinal Key equivalents.
<p>When a dual/multiple award Contract Product is discontinued, demand is to be shifted to a less active, Cardinal Key equivalent, alternative Contract Product. This demand shift and stocking is required as not to disrupt access to an alternative Contract Product.</p> <p>Assumes manufacturer has product available to ship to the Wholesaler, as of the specified effective date.</p>	<p>Goal: Five (5) business days.</p>	<ul style="list-style-type: none"> • FTS applies when Wholesaler has exceeded eight (8) business days for Rx and twelve (12) business days for Consumer Health/OTC from when MMCAP Infuse provides notification to the Wholesaler of Contract Product being discontinued, to ensure the less active, alternative Contract generic Product is loaded, viewable, and stocked at each distribution center, for MMCAP Infuse Products currently meeting three (3) units of usage at the distribution center. • FTS applies when Wholesaler has exceeded twelve (12) business days for MMCAP Infuse Contract Products that are not stocked due to utilization levels.
<p>* FTS = Failure to Supply, where MMCAP Infuse Participating Facility is provided a credit of the difference between the lower cost Contract Product not available and the higher cost product (either Contract or Non-Contract) that is purchased from Wholesaler as a result of the Wholesaler exceeding the specified business days in stocking the Contract Product. Wholesaler will not be responsible to pay FTS claims for MMCAP Infuse Contracted products that are on supplier disruption (i.e., manufacturer backorder, manufacturer allocation, etc.) or products in which the supplier cannot support the additional volume requested. All FTS claims will be subject to the same exclusionary rules as identified in Section 4.5, G Service Levels, under MBO Units.</p>		

Failure to Supply (FTS) MMCAP Infuse Contracted Products Process:

1. If Wholesaler fails to maintain sufficient inventory of MMCAP Infuse Contract Products to meet the anticipated needs of MMCAP Infuse Participating Facilities, an MMCAP Infuse Participating Facility may purchase an alternate equivalent generic product from Wholesaler for the period in which Wholesaler is unable to provide the Product. Wholesaler will be liable for any excess cost over the MMCAP Infuse Contract Price for a period of ninety (90) calendar days from the date the Wholesaler is unable to supply the MMCAP Infuse Contract Product to an MMCAP Infuse Participating Facility.
2. Wholesaler will use the price of the MMCAP Infuse Contract Products and the invoice price of the alternate generic product to determine the amount of reimbursement for failure to supply claims.
3. An MMCAP Infuse Participating Facility will submit the following information to Wholesaler for each MMCAP Infuse Contract Product that reimbursement is expected:
 - MMCAP Infuse Participating Facility Name, Address, City, State, Zip
 - MMCAP Infuse Participating Facility DEA or HIN
 - MMCAP Infuse Participating Facility point of contact for reimbursement (including telephone number and e-mail address)
 - Product description
 - Proof of shorted order
 - Generic Source price
 - MMCAP Infuse Participating Facility's purchase price
 - Alternate NDC
 - Alternate NDC manufacturer
 - Alternate NDC purchase price
 - Alternate NDC quantity purchased
 - Alternate NDC date purchased
 - Amount due
 - Reason (e.g., brief description)
 - A copy of the invoice showing the purchase of an equivalent generic product from the Wholesaler
4. Wholesaler must pay claims directly to the MMCAP Infuse Participating Facility via credit memo within thirty (30) calendar days of receipt of a claim.
5. Wholesaler will be responsible for payment of Failure to Supply claims for ninety (90) calendar days from the date the Wholesaler is first unable to supply the Product to an MMCAP Infuse Participating Facility. Credits due to an MMCAP Infuse Participating Facility based on excess product procurement costs caused by the Wholesaler's stocking failure will be routed from the Wholesaler back to the MMCAP Infuse Participating Facility in the form of an account credit.
6. Wholesaler's address for FTS reimbursement:
Electronic filing address: tiffany.kuhel@cardinalhealth.com

Wholesaler will provide training to MMCAP Infuse Participating Facilities using Wholesaler's Generic Drug Program to include:

1. Order training to all MMCAP Infuse Participating Facilities desiring training, to include ordering of non-stocked MMCAP Infuse Contract Products to be stocked as inventory in Wholesaler's distribution center and available for prompt delivery.
2. Ranking for both MMCAP Infuse and Wholesaler's Generic Drug Program contracts by contract and by price.
3. Filtering and sorting products to find the lowest priced item by purchased size or unit of measure.

G. Manufacturer Backorders

1. Wholesaler's order entry system will provide notification prior to order of all Manufacturer Backorders.
2. Wholesaler will also list all Manufacturer Backorders on its ordering website and the MMCAP Infuse Participating Facilities can call customer service.
3. Notifications of Manufacturer Backorders will be provided by Wholesaler's weekly "Service Flash," which is available via Wholesaler's website or push e-mail. Backorder notices will contain an expected date of resolution as well as the reason for the backorder (e.g., raw material shortage), if the information is available from the supplier. When information is not forthcoming from the supplier, the Wholesaler's standard procedure is to make the "date out" two (2) months from the notification, following up with the supplier on an every two week basis to obtain the appropriate updated information as to when products

will be available. Wholesaler's "Service Flash" will also list recalled Products, discontinued Products, and Products on allocation.

4. Wholesaler acknowledges and agrees that its policy is to kill or fill all orders at order placement unless the MMCAP Infuse Participating Facility is set up to receive backorders.
5. MMCAP Infuse Participating Facilities with questions in regard to recalled, allocated, and discontinued Products on backorder should call Wholesaler's customer service.

H. Service Levels

1. Raw and Adjusted Fill Rates will be calculated on a monthly basis for each MMCAP Infuse Participating Facility's account(s) (including 340B Drug Pricing Program accounts) serviced by the Wholesaler. Raw and Adjusted Fill Rates will also be calculated for MMCAP Infuse as a group as well as by each distribution center servicing MMCAP Infuse Participating Facilities.
2. Wholesaler must submit a Raw and Adjusted Fill Rate Report using the calculations defined below (Service Level Definitions) for each MMCAP Infuse Participating Facility, distribution center serving MMCAP Infuse Participating Facilities, and by MMCAP Infuse as a group to MMCAP Infuse on a monthly and a quarterly basis. See also Section 4.20 Mandatory Reports, for report requirements.
3. Service Levels will be defined as follows:
 - a. Raw Fill Rate will be calculated by dividing the number of units delivered by the number of units ordered.

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

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

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

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

MBO Units will include:

- Orders for Products made but not shipped because of industry wide shortages or other issues beyond the control of Wholesaler as demonstrated by Wholesaler to the reasonable satisfaction of the MMCAP Infuse Managing Director, lead pharmacist, and lead financial representative (e.g., Manufacturer Unable to Supply, Manufacturer Allocations, Manufacturer Backorders, Manufacturer Recalls, and Manufacturer Discontinued).
 - Purchases of Products which exceed 150% of the previous month's average demand per order.
 - Products ordered which are filled and delivered within twenty-four (24) hours of the original order.
 - Partial shipments if 75% or more of the order can be completely filled within 48 hours.
 - Unavailable Products repeatedly ordered within seventy-two (72) hours of the original order
 - Special orders requiring shipment from the manufacturer.
 - Non-stock Products that are not under contract with MMCAP Infuse.
 - Contract rolls/awards where notifications from MMCAP Infuse are received with less than 4 weeks' notice prior to transition of addition (e.g., bid year transition). Wholesaler may only include Products in MBO Units for thirty (30) calendar days after notification.
- c. Non-Contract OTC Products will not be included in the Adjusted Fill Rate.
 4. Wholesaler agrees to maintain a monthly Adjusted Fill Rate for pharmaceutical Products of at least 98.5% (calculated as set forth above) for each MMCAP Infuse Participating Facility account. Pharmaceutical Products include but are not limited to: MMCAP Infuse Contract and Non-Contract prescription drug Products, MMCAP Infuse Contract OTC Products, IV solutions, contrast media, nutritionals, and anesthesia gases.
 5. If the monthly Adjusted Fill Rate for pharmaceutical Products (calculated as set forth above) for a MMCAP Infuse Participating Facility account falls below 98.5%, Wholesaler will provide the affected

MMCAP Infuse Participating Facility an action plan for improvement upon request and will work in good faith to resolve the Adjusted Fill Rate issue.

6. Service level requirements for MMCAP Infuse Participating Facilities currently utilizing the Wholesaler will begin thirty (30) calendar days following the effective date of this Contract. The service level for new MMCAP Infuse Participating Facilities added to this Contract after the effective date will begin thirty (30) calendar days from the time Wholesaler receives the MMCAP Infuse Participating Facility's first order.

I. Shift Demands

The Wholesaler will perform weekly maintenance in the Wholesaler's procurement system, shifting demands for additions and deletions where applicable. The Wholesaler will use Cardinal Key, (specific for active ingredient, route, dosage form, pack size and strength), rather than NDC to aid in shift demand stocking decisions. Brand to Generic Shift. When a branded pharmaceutical Product patent release approaches, Wholesaler will utilize the following process to ensure MMCAP Infuse Contract Products are expedited for the newly awarded generic.

- a. Ten (10) business days prior to patent expiration:
 - Wholesaler will run a sales report capturing three (3) months of purchase history on the branded pharmaceutical Product.
 - Sales history will be provided to MMCAP Infuse and a reminder sent that the Wholesaler plans to shift demand from the branded pharmaceutical Product to the awarded generic Product.
 - MMCAP Infuse will notify Wholesaler of the awarded generic Product at the same time MMCAP Infuse notifies the awarded generic Product manufacturer.
 - Wholesaler will provide MMCAP Infuse with a summary of the shift demand that occurred per distribution center.
 - Upon manufacturer launch and/or availability, Wholesaler will have demands shifted and will expedite the new MMCAP Infuse generic Contract Product into applicable distribution centers.
- b. A shift demand will occur for all Product presentations for which there was a brand Product available. For example, if the brand Product was available in 100-count bottles, 500-count bottles and unit dose packaging (UD100ea x 1), Wholesaler will shift demand generically for all three presentations, if available.
- c. Shift demands will be converted even if bottle or package size varies. For example, if the brand Product was available in 60-count bottles but the generic Product is available in 100-count bottles, demand will be shifted to the 100-count bottles.
- d. Shift demands will not take place on additional bottle sizes or unit dose packaging that was not previously available unless Wholesaler is directed by MMCAP Infuse to do so. MMCAP Infuse will notify Wholesaler of expected shift demands through its weekly contract update process.
1. Generic to Generic Shift. Wholesaler will process shift demands for multi-source generic Products added to contract upon notification of an award from MMCAP Infuse. Wholesaler has ten (10) business days from the time of MMCAP Infuse notification or until the product effective date, whichever is later, to have the new generic Product loaded, viewable, and stocked at each distribution center where there is MMCAP Infuse contract and/or non-contract usage for equivalent generic Products. This time line assumes that the manufacturer has the Contract Product ready to ship to the Wholesaler on the effective date specified. Wholesaler will provide MMCAP Infuse with a summary of the shift demand that occurred per distribution center.
2. Additional Services and Activities
 - a. Wholesaler will provide a weekly price change report to MMCAP Infuse to assist in monitoring price reductions for multi-source generics. Wholesaler will do shift demands for price decreases upon MMCAP Infuse request.
 - b. Weekly maintenance is run in the Wholesaler's procurement system, shifting demands for additions and deletions where applicable.

4.6 Management of MMCAP Infuse Contract Products

A. Price Loading and Pricing Accuracy

1. Wholesaler will be responsible for processing the MMCAP Infuse Contract File Updates, or the files sent to the Wholesaler by MMCAP Infuse which specify the Products and pricing that MMCAP Infuse has negotiated with its contracted manufacturers. Wholesaler will load and make viewable in its ordering

system(s) all data lines from MMCAP Infuse's Contract File Update notifications within five (5) business days from the date of receipt or by the MMCAP Infuse Contract File Update effective date, whichever is later. When manufacturer verification is needed in order to load an MMCAP Infuse Contract Product and the MMCAP Infuse-contracted manufacturer has not responded or provides data that is inconsistent with the MMCAP Infuse Contract File Updates, Wholesaler will promptly notify MMCAP Infuse in writing no later than two (2) business days (after the five (5) business days allowed for Wholesaler processing).

2. Wholesaler agrees that any notice received from an MMCAP Infuse-contracted manufacturer or supplier for a price or Product change on an MMCAP Infuse Contract Product will be forwarded to MMCAP Infuse in the form of a weekly contract change report (see Section 4.20, Mandatory Reports). Wholesaler agrees to provide credits/rebills at no charge to correct pricing in the event that MMCAP Infuse and its contracted manufacturers disagree in regard to price and Product loading.
3. Price change reports will be available to all MMCAP Infuse Participating Facilities at any time via Wholesaler's ordering system(s).
4. Provided that Wholesaler has received all requested account set-up information, Wholesaler will have all MMCAP Infuse contract and individual contracts loaded prior to the MMCAP Infuse Participating Facility's first order. This includes all tiered contracts, if applicable, per receipt of documentation from the supplier.

B. Product Additions/Deletions

1. Wholesaler will process product adds/deletes/price changes based on documentation received from manufacturers/suppliers and perform weekly audit of previous week changes, notifying MMCAP Infuse of any specific discrepancies in writing to the MMCAP Infuse Contracts Box at MMCAP.Contracts@state.mn.us. In addition to providing specific discrepancies, Wholesaler will support the product adds/deletes/price changes process through the weekly Contract Change report which lists all changes made within the past week to the MMCAP Infuse contract (see Section 4.20, Mandatory Reports).
2. Wholesaler agrees to maintain an Adequate Supply for a Product that is added to the MMCAP Infuse contract due to a change in the NDC number, Product deletion, and replacement of a Product by the manufacturer, and in situations where Wholesaler is notified that MMCAP Infuse has determined a need to switch its procurement selections. Immediately upon notification of the change, Wholesaler will generate a usage report for the old item. This report will be used to decrement the old item(s) and increment the new item(s) as needed, to procure Product in a timely manner to satisfy MMCAP Infuse Participating Facilities' needs.

C. Convenience and Individual Contracts

1. MMCAP Infuse Contract Products priced at Wholesale Acquisition Cost – zero percent (WAC - 0%) will be reported as on-contract purchases based on receipt of supplier documentation effectively adding the item to the manufacturer/suppliers' contract.
2. Wholesaler agrees that contract purchases for WAC – 0% will receive Wholesaler's service fee discount, as set forth in Attachment C, Service Fee Discount Matrix.
3. Wholesaler will not charge any delivery fees for MMCAP Infuse Contract WAC – 0% Products if they fall within the MMCAP Infuse Participating Facility's normal delivery schedule, as set forth in Attachment B, Discounts and Fees.
4. Upon request of an MMCAP Infuse Participating Facility Wholesaler will supply and distribute Products acquired under contracts individually negotiated with (e.g., pharmaceutical) manufacturers by an MMCAP Infuse Participating Facility and notify MMCAP Infuse of individually negotiated contract attachment. Service fee discounts will be applied to purchases made from MMCAP Infuse Participating Facility individually negotiated contracts, in accordance with Attachment C, Service Fee Discount Matrix.

D. Product Expiration Dating

1. At a minimum, expiration dating for all MMCAP Infuse Contract Products and Non-Contract Products delivered under this Contract must have a minimum shelf life of six (6) months expiration dating remaining upon delivery to the MMCAP Infuse Participating Facilities.
2. Wholesaler will facilitate special dating product requests as requested by the MMCAP Infuse Participating Facility based on what is available from the product's manufacturer/supplier.
3. Shipment of Product with expiration dating of less than six (6) months requires the prior approval of the MMCAP Infuse Participating Facility before release and delivery of the short-dated Product.
4. If Wholesaler distributes short dated Product to an MMCAP Infuse Participating Facility without prior approval, the Product may be returned to Wholesaler, with the MMCAP Infuse Participating Facility

being credited for the return, subject to Attachment A, Section 4.13 H, Goods Returned to the Wholesaler.

D. Service Organization Controls

Service Organization Controls (SOC) allow organizations to demonstrate that processes and practices are within required levels of oversight across their organization, specifically, monitoring of unusual system activity, authorized and unauthorized system configuration changes, and user access levels. Wholesaler is expected to conduct SOC reporting to validate quality assurance and quality control processes, and to provide SOC reporting, as requested by MMCAP Infuse or any MMCAP Infuse Member, as long as mutually agreed Non-Disclosure Agreement is in place.

4.7 Distribution Center Environmental Conditions

A. Compliance

1. Wholesaler will comply with U.S. Department of Transportation in Title 49 of the Code of Federal Regulations, International Air Transportation Association (IATA) and International Dangerous Goods Code (IMDG) regulating the ground, air and vessel transportation of hazardous materials. This includes having strict policies to comply with regulatory requirements with regards to picking, packing, and transporting specialize materials.
2. Wholesaler will be held accountable to reviews of industry guidance for testing and qualification of cold chain systems related to refrigerated storage and packaging. Some of these guidelines include, but are not limited to: USP (United States Pharmacopeia) - General Guidance Chapter 1079, Good Storage and Shipping Practices, American Society for Testing and Materials, ASTM D 3103-99 Standard Test Method for Thermal Insulation Performance of Distribution Packages, and the International Safe Transit Association.
3. Wholesaler is required to comply with supply chain integrity, as to ensure patient safety. The Wholesaler will use tested redundancy effective environments for both winter and summer shipping conditions, guaranteeing that products arrive within the specified temperature and handling parameters specified by the manufacturer/supplier.
4. In extreme weather conditions or regional emergency situations that may cause delivery delays due to concerns with keeping the product within the specified temperature and handling parameters specified by the manufacturer/supplier, Wholesaler will provide timely notification to all impacted MMCAP Infuse Members.

B. Daily Environmental Conditions

1. Wholesaler is required to ensure conditions related to temperature, relative humidity, light, and air quality are tracked in the distribution centers through conducting at a minimum daily recordings and controls.
2. Wholesaler is required to keep records, documenting the daily environmental conditions in all dry/room temperature areas in each of its distribution centers including the refrigeration and freezer areas where products are stored and retain those data logs.
3. While it is generally understood that the Wholesaler's data logs regarding storage conditions are for internal use only, Wholesaler will work with MMCAP Infuse and MMCAP Infuse Members with any reasonable request regarding these logs.

4.8 Ordering Equipment

A. Ordering System

1. Wholesaler will provide to each MMCAP Infuse Participating Facility an ordering method that allows the facility to quickly and accurately order MMCAP Infuse Contract Products, within the technological capabilities of the MMCAP Infuse Participating Facility. At a minimum, Wholesaler's ordering system must provide the following functionalities:
 - a. Clearly identify all eligible MMCAP Infuse Contract Products and whether these Products are in stock
 - b. Build and place electronic orders
 - c. Review pending orders for correctness and contract compliance
 - d. Provide online allocation of ordered amounts
 - e. Receive Order Confirmation reports

2. Wholesaler currently supports the following ordering methods: Internet-based ordering system, EDI, direct call to customer service, mobile device ordering, and fax orders. All ordering methods described below require minimal setup and implementation work with the exception of EDI.
 - a. **Order Express™** – is a web-based order entry and inventory management system that will provide MMCAP Infuse Participating Facilities with real-time access to up-to-date product information including product availability, immediate order confirmations, 36 months of purchase history for reporting, and other reporting capabilities.
 - b. **EDI Capabilities** – Wholesaler's EDI solutions can accommodate any inbound (ANSI X.12) and outbound (ANSI X.12, comma delimited, and flat file) data translation. The Wholesaler facilitates several EDI transactions, including item price catalogs (EDI 832), sales reporting (EDI 867) and a number of specialized transactions. The process for Electronic Purchase Orders begins with the receipt from a customer of an EDI PO (850), followed by the delivery to the customer of an Order Confirmation (855), an Advanced Shipment Notice (ASN) (856) is created once the order is picked, then an Electronic Invoice (810), which is followed by a Electronic Funds Transfer Remittance Advice (820) from the customer. The Wholesaler is required to support all 810, 894 and 880 EDI protocol documents for electronic invoicing as well as 820 notices for electronic remittances. If an MMCAP Infuse Participating Facility chooses to implement an EDI solution, Wholesaler will have a dedicated staff who will work with the MMCAP Infuse Participating Facility and the third party vendor to develop the appropriate interface to begin trading files.
 - c. **Punch-Out Option** - Wholesaler offers a punch-out option on Order Express, utilizing standard cXML and EDI integration technologies. With punch-out, an MMCAP Infuse Participating Facility can gain the full use of the advanced Order Express ecommerce platform. Advantages of a punch-out versus a hosted catalog (EDI updates) include real time stock status and pricing, intelligent order analysis tools, and the ability to collaborate within Order Express on the building and review of orders. In addition, with punch-out technologies, retention all of the capabilities and benefits of a third-party system including order approval, accounts payable and receivables processes, and others as per the capabilities of the specific software.

Wholesaler will partner with MMCAP Infuse Members on punch-out implementations, however, due to resource requirement to interface with third party solutions, there are fees associated with performing this option. Fees associated with punch-out implementations are found in Attachment B.

- d. **Mobile Order Express with MC40** - allow a user to build and place an order, perform physical inventory and receive their shipment of orders all on the device with no need to cradle or sync to a computer. The Mobile website seamlessly integrates with the desktop experience on Order Express giving the user easy access to the best of both features. With instant synchronization of data between the desktop and mobile experience, any user can review and modify actions throughout the ordering process. The MC40 scans directly in the Mobile Order Express website obtaining the most recent catalog and pricing which provides the pharmacy with accurate stock and pricing information.

The MC1000/MC2180 is a basic scanner that builds an order, takes inventory offline, and syncs with Order Express to allow easy access to ordering and inventory files. The basic scanner carries a limited catalog of available products and displays product details remotely on the device.

- e. **Order Express Application.** – A FREE app that that can be utilized on any Android or iOS Smartphone or tablet. The app turns the device into a scanner allowing you to build daily orders or perform periodic inventories. Email order or inventory files right to the computer without the need to sync data and then import into Order Express. The app comes with over 100,000 products that are updated every month increase your scan accuracy ensuring orders and inventories are accurate.

B. Software and Devices

1. Wholesaler agrees that all fees charged for software and/or ordering devices will be listed in Attachment B, Discounts and Fees.
2. Wholesaler's handheld devices require the installation of Microsoft's Active Sync 4.5 which is currently provided by Microsoft as freeware.

3. Bundled with Order Express is CSOS Anywhere, the Wholesalers online CSOS application, which allows secure electronic controlled substances ordering and eliminates the need for paper DEA Form 222. CSOS Anywhere is entirely online, requires no software installation, and is accessible from any computer and many mobile devices. The online certificate management, allows a MMCAP Infuse Participating Facility to upload their DEA signing certificates, enabling CSOS Anywhere to automatically apply the proper certificate. CSOS Anywhere also provides increased accessibility from multiple workstations/devices at a time, as it is entirely online.
4. Wholesaler offers a free iPhone and Android app which allows MMCAP Infuse Participating Facilities to use their smart devices to scan products to build orders, inventories or perform their daily receiving. Benefits of the app include:
 - a. No cost
 - b. Inventory in either full or partial counts
 - c. No software or special admin rights to transmit the inventory from the app to the computer; simply send an email and save the attachment to the desktop.
 - d. Faster, more accurate scanning with intuitive interface
 - e. Can be used on as many or few devices or times as preferred; then can simply be deleted from the phone; everyone who has a smartphone, on a MMCAP Infuse Participating Facility's team can participate simultaneously
 - f. Immediate access to over 100,000 catalog items, with the ability to look-up alternatives and substitutes, while scanning the shelf, to build an accurate order.

C. Installation and Training

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

D. Inventory at an MMCAP Infuse Participating Facility

Wholesaler will provide, at no cost to the MMCAP Infuse Participating Facility, training, software, and reports to perform an onsite inventory. Extra handheld devices and hiring a physical inventory company is not

included in these services. Requests for inventory support need to be made directly with the MMCAP Infuse Participating Facility's Wholesaler account representative or customer service. Wholesaler recommends at least fourteen (14) calendar day lead time to reserve extra handheld devices for use in performing inventory; Wholesaler will take reservations for handheld devices up to 60 calendar days prior to the inventory date. MMCAP Infuse Participating Facilities may also request a set of shelf labels to be printed using the facilities' purchase history. The labels can be printed in Brand or Generic name order for ease of use. Training on the inventory procedure may be on-site or online.

E. Ordering System(s) Back-up Service, Maintenance

Wholesaler agrees to provide all software updates and system maintenance at no cost for the term of this Contract. Order Express, while web-based, requires routine maintenance. Wholesaler agrees that maintenance on the ordering system will only occur on weekends and MMCAP Infuse Participating Facilities will be notified in advance. The Wholesaler reserves a maintenance window Order Express of Saturday 8pm through Sunday 8am EST. Faxes and calling the customer service department will serve as back-ups for Wholesaler's ordering system.

F. Label and Marking

Wholesaler's online ordering system, Order Express, will print shelf labels, on-site, on demand. MMCAP Infuse Participating Facilities may also call Customer Service to request shelf labels. Wholesaler can provide contract status on its shelf labels. Wholesaler's sticker has a contract identifier, for prescription pharmaceuticals, which identifies if the item was purchased from an eligible contract.

4.9 Order Placement

A. Wholesaler's Ordering System(s)

1. Wholesaler's ordering system(s) will display the following information:

- MMCAP Infuse Participating Facility's name
- Wholesaler assigned account number
- Product Name
- Wholesaler'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
- Average Wholesale Cost (AWP when available)
- Orange Book Rating – Referred to as AB rating
- Universal Product Code (UPC), where applicable
- Product Control Schedule (e.g., CII)
- DEA number (where applicable)
- HIN (where applicable)
- Type of contract – contract identification or code that identifies product as an MMCAP Infuse Contract Product, Non-Contract, 340B Drug Pricing Program contract, or alternate contract Product
- Contract price (specific to the pricing and contract eligibility of each MMCAP Infuse Participating Facility).
- Product denoted as available as a Drop Shipment
- Product inventory status (e.g., stocked, unavailable due to MBO, Wholesaler 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

- Average Wholesaler Price, when available
- 2. Wholesaler's ordering system(s) cannot display the following information:
 - Universal Product Number (UPN), - not currently on development plans for an addition to ordering systems(s) data fields
 - Wholesale Acquisition Cost
- 3. Wholesaler agrees that all new MMCAP Infuse Participating Facilities will be started with a standard default ordering set-up to ensure MMCAP Infuse contract compliance. This default set-up will be approved by MMCAP Infuse prior to being deployed.
- 4. MMCAP Infuse Contract Products and MMCAP Infuse Participating Facility individually negotiated contracts will be loaded in the prime or first position (with price being the ranking determinant between MMCAP Infuse Contract Products and individually negotiated contracts) upon initial set-up and ongoing, and be visible in Wholesaler's ordering system. This prime or first position includes being in the prime or first position ahead of the Wholesaler's generic portfolio. In situations where the MMCAP Infuse Contract Product and another item are the same price, the MMCAP Infuse Contract Product and price will be loaded and visible. When there is a lower cost option for which there is a shared NDC, the lower cost option will be visible. Wholesaler's ordering system will clearly identify MMCAP Infuse Contract Products.
- 5. Wholesaler's ordering screen will clearly identify special orders such as controlled substances (e.g., CIIIs), Drop Shipments, and Closed Distribution Products. Closed Distribution Products and Drop Shipment Products are identified in the Stock Status and/or Notes fields. Drop Shipment Products are denoted with a "DSHP" within the item description.

B. Automatic Substitution

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

C. Confirmation Printback/Order Confirmation

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

D. Controlled Substances Ordering System (CSOS)

1. Wholesaler's Controlled Substance Ordering System, CSOS Anywhere will allow MMCAP Infuse Participating Facilities to submit secure, electronic orders for controlled substances, eliminating the need for paper DEA Form 222.
2. CSOS Anywhere is bundled with Order Express.
3. Where needed by a MMCAP Infuse Member, Wholesaler's standard turnaround time for the hard copy version of DEA Form 222 is 24 hours to 48 hours, depending on location. If CSOS orders are received by the distribution centers' cutoff time, they will be delivered the next day.
4. Controlled substances ordered on a hard copy version of DEA Form 222 will be shipped upon Wholesaler's receipt of the form or on the Next Scheduled Delivery Day. Wholesaler will not impose

any additional shipping charges for ordering controlled substances if the controlled substances are shipped separately from the original order or on the Next Scheduled Delivery Day.

5. For controlled substance orders using electronic CSOS (electronic DEA Form 222), Wholesaler's standard turnaround time is 24 hours. Wholesaler will not apply additional shipping charges for controlled substances when shipped separately from another order due to process delays.
6. All fees for the use of CSOS or for using the hard copy version of DEA Form 222 will be listed on Attachment B, Discounts and Fees.

E. Technical Support for Ordering

Wholesaler's technical support is available from 7:00 AM – 8:00 PM EST, Monday through Friday, by calling 1-833-518-4555. Wholesaler's technical staff on site will check voicemail every hour and will respond in the order the voicemail is received. From 8:00 PM until 7:00 AM EST and on weekends, the line will transfer to an off-shore Wholesaler staff member.

F. 340B Drug Pricing Program

Wholesaler is and must remain for the term of this Contract an Authorized Distributor for the 340B Drug Pricing Program. Wholesaler is required to provide notice in writing to MMCAP Infuse, immediately, in the event of a status change. For MMCAP Infuse Participating Facilities that are eligible and participating in the 340B Drug Pricing Program, the Wholesaler will maintain separate purchasing accounts to separate ordering MMCAP Infuse Contract Products from 340B Drug Pricing Program contract products. Each account will be set up with default contract-priority rankings that allow the MMCAP Infuse Member to access the lowest cost contract product when an NDC is ordered.

Wholesaler is required to have sufficient subject matter expertise available to MMCAP Infuse Participating Facilities to support the complex intricacies of this program.

Service fee/cost of goods discounts are to be applied to 340B purchases, with the exception of the Apexus Source contract which only covered entities who roster with Apexus are eligible to receive. All 340B purchase volume to be included in the total purchasing volume for the state, as it relates to the service fee/cost of goods discount volume matrix.

4.10 Delivery

A. Routine Delivery

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

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

* One mid-week delivery per week for MMCAP Infuse Participating Facilities located in Hawaii.

** Two mid-week deliveries per week for MMCAP Infuse Participating Facilities located in Hawaii.

4. Wholesaler agrees that it will not charge a fuel surcharge for the term of this Contract and any extensions.
5. Wholesaler will provide a daily order and delivery schedule for each MMCAP Infuse Participating Facility, with a delivery window of 7 AM to 3 PM, Monday through Friday, depending upon the MMCAP Infuse Participating Facility location and distance from the distribution service center providing service to that MMCAP Infuse Participating Facility. For any deliveries made after 3PM local time, Wholesaler will obtain approval from the MMCAP Infuse Participating Facility. All deliveries will be made next day or on the Next Scheduled Delivery Day (excluding Alaska and Hawaii), unless communicated otherwise.

The table below identifies the distribution center local cut-off time at each of Wholesaler's facilities:

Distribution Center	Local Cut-Off Time
Wheeling	8:00PM EST
Aurora	8:00PM CST
Greensboro	8:00PM EST
Swedesboro	8:00PM EST
Seattle*	8:00PM PST
Valencia*	8:00PM PST
Syracuse	8:00PM EST
Boston	8:00PM EST
Knoxville	8:00PM EST
Lakeland	8:00PM EST
Sacramento*	8:00PM PST
Hudson	8:00PM CST
Dallas	8:00PM CST
Kansas City	7:00PM CST
Phoenix	8:00PM PST
Jackson	7:00PM CST
St. Louis	7:00PM CST
Denver	8:00PM MST
Houston	8:00PM CST
Salt Lake	8:00PM MST

* Local cut-off time for service does not apply to servicing Alaska or Hawaii.

6. Orders received Monday through Thursday will be delivered the following day. Orders received Friday will be delivered the next business day (Monday). Wholesaler's distribution centers will make a good faith effort to deliver before noon local time. Instances in which an existing MMCAP Infuse Participating Facility delivery time would change from morning to afternoon, Wholesaler is required to obtain MMCAP Infuse Participating Facility approval.
7. Wholesaler will provide a Holiday Schedule to each MMCAP Infuse Participating Facility and MMCAP Infuse throughout the term of this Contract. Wholesaler will notify MMCAP Infuse Participating Facilities of the holiday schedule by using tote stuffers.
8. Wholesaler usually makes normal deliveries via its contracted couriers. Wholesaler generally has multi-year agreements with third-party couriers who are qualified in quality and reliability in each delivery area they serve. Each courier representative completes mandatory overall and customer-specific training, drug screening, and possesses the necessary vendor certifications and licensure to fulfill their deliveries. Wholesaler requires drivers to be appropriately dressed so they can be easily identified by MMCAP Infuse Members. Wholesaler is to prohibit clothing that is inappropriate, by including specific provisions within the terms and conditions negotiated with the contracted couriers.
9. In the event of a contracted courier change, Wholesaler will provide the affected MMCAP Insure Member(s) with proper and timely communication related to the change, providing this notification as far in advance as possible. In addition, Wholesaler will provide notification to the MMCAP Infuse's Authorized Representative of the resulting contracted courier changes.
10. Delivery to locations outside of the continental US will be accomplished via commercial air, vessel, and local couriers.
11. Wholesaler will stock and deliver Products that require special handling and shipping, such as controlled substances, refrigerated or temperature-controlled Products, oncology or chemotherapy Products, and any hazardous materials. Wholesaler will only ship hazardous materials as allowed by the appropriate government regulations.
12. Same day delivery is not available unless the service can be available through emergency delivery.
13. Damaged Products must be reported to Wholesaler's customer service department as set forth in Section 4.13 I, Goods Returned to Wholesaler, and applicable credits will be issued within three (3) business days from receipt of the damaged item.

14. Lost Products must be reported to Wholesaler's customer service department as set forth in Section 4.13 I, Goods Returned to Wholesaler. Upon reconciliation, Wholesaler will apply credit for lost items as applicable within three (3) business days.
15. Wholesaler will develop metric reporting on damaged product/short product, available upon demand by MMCAP Infuse or MMCAP Infuse Members, WHOLESALER uses a metric called Defects Per Million Opportunity (DPMO), which tracks damages, shorts, etc. and can be made available upon request by MMCAP Infuse or MMCAP Infuse Members.
16. Wholesaler must have the ability to ship palletized deliveries via freight companies and must be able to use large companies for dock deliveries instead of small couriers. Orders should be shipped as ordered (by case or by pallet) to the facility so they can be properly unloaded and stored. Wholesaler will ship palletized and case quantity orders on a weekly or twice monthly basis for all distribution centers.
17. MMCAP Infuse agrees to work with Wholesaler on abusive situations involving MMCAP Infuse Participating Facilities which request special delivery vehicles or methods for routine deliveries.

B. Drop Shipments

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

C. Delivery for Special Products

1. Wholesaler will maintain appropriate temperatures and environmental conditions in accordance with manufacturer requirements for delivery to the MMCAP Infuse Participating Facilities. All refrigerated Products will be shipped in returnable coolers with appropriate packaging to maintain the required temperature range. Products requiring refrigeration will be clearly marked as such. Wholesaler will use phase change panels to maintain orders at proper temperatures.
2. All Products will be adequately packaged by Wholesaler. If an MMCAP Infuse Participating Facility refuses Product that has been inadequately packaged, the MMCAP Infuse Participating Facility must notify Wholesaler's customer service department to log the complaint. Any costs associated with the return of Product due to improper packaging or transport will be at the expense of the Wholesaler.
3. Wholesaler will comply with all DEA requirements for controlled substances. To help ensure that the Wholesaler is operating within full compliance of all applicable laws, rules and regulations, Wholesaler deploys a Suspicious Order Monitoring (SOM) program. This program uses threshold methodology that is continually developed and refined by Wholesaler's Quality and Regulatory Affairs (QRA) department. The methodology is based upon a variety of factors, including the prescription volume of the pharmacy and the historical purchase volumes supplied to Wholesaler. Each unique DEA number within the MMCAP Infuse Member's network will have its own customized ordering thresholds.

MMCAP Infuse Participating Facilities' orders will be tracked according to the above-described methodology. Wholesaler will communicate with the MMCAP Infuse Participating Facility's pharmacy personnel before thresholds are reached, to allow the MMCAP Infuse Participating Facility to conduct a review of their pharmacy's purchases and to determine the legitimacy of those orders in light any changes in purchases for that particular DEA-registered location.

In the event that regulatory action is taken against a distribution center, the Wholesaler will ensure continuity of product delivers to the impacted MMCAP Infuse Members by shipping controlled substances from a back-up distribution center, already identified as part of Business Continuity

planning.

4. Wholesaler must not distribute MMCAP Infuse Contract Products through associated specialty distributors without the prior written approval of MMCAP Infuse or without the manufacturer requiring the Wholesaler to do so. Wholesaler has a relationship with Cardinal Health 108, LLC d/b/a Specialty Pharmaceutical Distribution (SPD). SPD is a wholly owned subsidiary of Cardinal Health, Inc. MMCAP Infuse acknowledges that certain MMCAP Infuse-contracted suppliers have limited distribution networks and that Cardinal Health SPD will be distributing these manufacturers' products for MMCAP Infuse Participating Facilities. Wholesaler is required to apply service fee/cost of goods discounts to any MMCAP Infuse Contract Products distributed by Cardinal Health SPD, as set forth in Attachment C, Service Fee Discount Matrix, and ensure that MMCAP Infuse is paid the distributor administration fee on same said products distributed by Cardinal Health SPD. Wholesaler is also required to ensure that sales distributed by Cardinal Health SPD are included in the Sales Data Report, as specified in Section 4.20 Mandatory Reporting.
5. In the event a manufacturer charges Cardinal Health SPD for shipping due to an expedited request by an MMCAP Infuse Participating Facility, Wholesaler will line item invoice the MMCAP Infuse Participating Facility for the same shipping cost charged by the manufacturer. Backup documentation will be available upon request for any shipping fees that are charged to the MMCAP Participating Facility for products supplied by Cardinal Health SPD.

D. 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. In the event that the MMCAP Infuse Participating Facility approves the Wholesaler's request to have bulky items drop shipped, the product manufacturer and drop-ship notification is to be annotated on the MMCAP Infuse Participating Facility's order confirmation.

Service fee/cost of goods discounts are required to be applied to orders for bulky items for which MMCAP Infuse has a contract, as set forth in Attachment C, Service Fee Discount Matrix.

E. Emergency Order, Placement and Delivery

Wholesaler's procedure for placement of emergency orders during non-business hours will be made available to each MMCAP Infuse Participating Facility upon startup of service. Each MMCAP Infuse Participating Facility will be provided twelve (12) emergency orders per calendar year free of charge. Any additional emergency orders beyond the twelve per year that are free will be assessed a fee as detailed in Attachment B, Discounts and Fees. An emergency order is defined as one necessary for immediate and specific patient care which falls outside the normal order and delivery parameters. Using air and ground options, Wholesaler will exhaust all resources in delivering emergency Product in the most timely and efficient methods. Air services may be used at the discretion of the Wholesaler based on the severity of the emergency situation. Wholesaler will make a good faith effort to make emergency deliveries within four (4) hours following receipt of the order; emergency deliveries to Alaska and Hawaii will likely take longer. OTC Products are not considered necessary for immediate and specific patient care and therefore do not qualify for free emergency orders. Service fee discounts will be applied to emergency orders as set forth in Attachment B, Discounts and Fees.

4.11 DSCSA (Pedigree)

In the passage of the Drug Quality and Security Act (H.R. 3204) on November 27, 2013, Title II of the Act (DSCSA), establishes a national system for tracing pharmaceutical products through the supply chain and sets national licensing standards for wholesale distributors. This legislation preempts state pedigree and serialization laws.

As the DSCSA has a national licensing standard requirement for pharmaceutical wholesalers, Wholesaler will maintain licensing standards such that it remains an Authorized Trading Partner. If there is a licensing standards issue, whereby the FDA deems the Wholesaler no longer eligible to have the status of an Authorized Trading Partner, for any of its legal entities or a specific distribution center, Wholesaler will provide prompt written notification to MMCAP Infuse.

If any new transitions of the DSCSA which require change(s) to the Wholesaler's current pharmaceutical distribution procedure(s), a minimum of 30 calendar days' notice of the change(s) will be provided so MMCAP Infuse Participating Facilities can prepare.

Wholesaler will retain all 3T Data per the requirements specified by the DSCSA, a minimum of six (6) years, for MMCAP Infuse Members served by the Wholesaler, regardless of whether or not the MMCAP Infuse Members are presently utilizing the Wholesaler for pharmaceutical distribution services. Access to the 3T Data, for the required timeline, will be provided at no charge to MMCAP Infuse Members. Access will be consistent with the requirement to respond to the FDA within 48 hours for product inquiries.

MMCAP Infuse Participating Facilities will have the responsibility of utilizing the third-party end user agreement to document that the Wholesaler will hold and retain 3T data.

As part of the quarterly executive business review with MMCAP Infuse, the Wholesaler will be required to provide updates on DSCSA transitions and how the Wholesaler is integrating compliance aspects into its work deliverables to MMCAP Infuse Participating Facilities and MMCAP Infuse.

4.12 Contract Compliance

A. On-Contract Purchasing

Wholesaler agrees to encourage MMCAP Infuse Participating Facilities to purchase MMCAP Infuse Contract Products. Wholesaler must not condone or encourage in any way the purchase substitution of an MMCAP Infuse Contract Product with that of a Non-Contract Product. However, if the purchase substitution is to a product within the product portfolio(s) available to MMCAP Participating Facilities under the Wholesaler's Generic Drug Program (4.17 Other Value –Added Services, A. Wholesaler's Generic Drug Program), this is an allowable purchase substitution practice. To ensure overall MMCAP Infuse Participating Facility contract compliance, Wholesaler may be asked to provide, at no cost to the MMCAP Infuse State Contacts in each state served by the Wholesaler, a monthly report containing the following fields:

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

B. Compliance Calculations

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

1. Raw Contract Compliance:

MMCAP Infuse Contract Sales^a

Total Sales^b

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

2. Adjusted Contract Compliance:

MMCAP Infuse Contract Sales^a + Alternate Contract Sales^b

Total Sales^c

- a. MMCAP Infuse Contract Sales: Products for which MMCAP Infuse has negotiated a contract
- b. Alternate Contract Sales consist of Products purchased under the 340B Drug Pricing Program, Products purchased from contracts individually negotiated by the MMCAP Infuse Participating Facilities, and/or Products purchased from the Wholesaler's Generic Drug Program.

- c. Total Sales consist of MMCAP Infuse Contract Sales, Alternate Contract Sales, and Non-Contract Sales.
- d. In the event that an MMCAP Infuse Participating Facility has a 340B account, that portion of the MMCAP Infuse Participating Facility's business will be assigned a separate account number and Contract Compliance will be calculated in the same manner for that account.
- 3. Wholesaler will encourage the use of MMCAP Infuse Contract Products by providing training and services to MMCAP Infuse Participating Facilities during the bid roll and throughout the term of this Contract.
- 4. Order Express will offer "Contract Ranking" settings to assist MMCAP Infuse Participating Facilities in color coding and sets a search result ranking bringing preferred contracts to the top of the users search screen.
- 5. In special situations where deemed necessary, Wholesaler will provide sub logic to MMCAP Infuse to support corporate initiatives (e.g., market share agreements, contract switches and other potential formulary initiatives).
- 6. In the case where an MMCAP Infuse Participating Facility is denied contract pricing (e.g., vendor block), Wholesaler agrees to send notification to MMCAP Infuse via e-mail (mmcap.contracts@state.mn.us).

C. Reporting Tools

- 1. Wholesaler agrees to provide online electronic access to all purchasing data relating to the Products that are purchased by each MMCAP Infuse Participating Facility to MMCAP Infuse and MMCAP Infuse Participating Facilities. Wholesaler will provide a system for reporting each individual MMCAP Infuse Participating Facility's purchases, as well as be capable of running reports on select groups of facilities. Users must be able to manipulate the data to build reports based on each MMCAP Infuse Participating Facility's individual needs/requirements directly through the system or through the ability to transfer data into spreadsheets in a Microsoft Office compatible format.
- 2. Wholesaler agrees to provide each MMCAP Infuse Participating Facility and MMCAP Infuse with Standard and Advanced Reporting on Order Express, and Advance Reporting will be provided at no additional charge to MMCAP Infuse or to MMCAP Infuse Members.
- 3. At a minimum, Wholesaler will provide the following on-line reporting tools:
 - 80/20 (Velocity) Purchase Summary Report: ranks items by sales value over a designated period of time
 - Manufacturer Backorder reporting
 - Contract missed opportunities
 - Therapeutic interchange analysis
 - Brand-to-generic saving analysis
 - Budgetary forecasting and analysis
- 4. Wholesaler will set up a user login on Wholesaler's online ordering system for each MMCAP Infuse Member State and MMCAP Infuse with all MMCAP Infuse Participating Facility accounts for the purpose of reporting at no cost.
- 5. Wholesaler will provide the technology to allow one user (e.g., super-user) to run reports for several MMCAP Infuse Participating Facilities' accounts at one time.

4.13 Invoicing

A. Order Invoice

- 1. Wholesaler agrees that MMCAP Infuse Participating Facilities will be invoiced at the MMCAP Infuse contract price for MMCAP Infuse Contract Products, plus or minus the negotiated service fee discount, throughout the term of this Contract and any extensions. Service fee discounts will be applied to all Non-Contract Products with the exception of Non-Contract Bulky Products, as set forth in Attachment B, Discounts and Fees.
- 2. Wholesaler agrees that all service fee discounts will be in accordance with Attachment C, Service Fee Discount Matrix.

3. Wholesaler agrees that any fees besides cost for both MMCAP Infuse Contract Products and Non-Contract Products will be listed on Attachment B, Discounts and Fees.
4. Wholesaler will not add any fee, percentage, or other cost to the Products purchased under this Contract unless the fee, percentage, or cost is defined and approved in writing by MMCAP Infuse prior to implementation.
5. Wholesaler will submit an invoice with each order. Invoices must be only for the amount of Product delivered, not the amount ordered. Quantity ordered and quantity shipped must be based on the packaging associated with the NDC number.
6. MMCAP Infuse's definition of Bulky Products include food and food products, home healthcare products (durable medical equipment, such as walking aids, bathroom safety products, wheelchairs and accessories, scooters and lift chairs, etc.), non-contract nutritionals, school and office supplies, non-contract large volume parenterals, and non-contract IV Fluids. All service fee discounts and fees for the delivery of Bulky Products are listed on Attachment B, Discounts and Fees. No fees or special handling charges will be assessed for MMCAP Infuse contract nutritionals, MMCAP Infuse contract large volume parenterals, or MMCAP Infuse contract IV fluids throughout the term of this Contract. Service fee discounts will be applied to MMCAP Infuse Contract Products that are also Bulky Products, including MMCAP Infuse contract nutritionals, MMCAP Infuse contract large volume parenterals, and MMCAP Infuse contract IV fluids, as set forth on Attachment B, Discounts and Fees.
7. Cardinal Health SPD is required to utilize the MMCAP contract price associated with MMCAP Contract Products distributed through Cardinal Health SPD. If Cardinal Health SPD has the same NDC available through its contracting as is contracted under MMCAP, Cardinal Health SPD will provide the CIN utilizing the MMCAP contract pricing. Service fee discounts will be applied to MMCAP Contract Products that are drop shipped through Cardinal Health SPD, as set forth in Attachment C, Service Fee Discount Matrix. Cardinal Health SPD is required to stock or make available those MMCAP contracted Blood Factor and MMCAP-contracted Plasma Products, ensuring primacy of these Contract Product items. In a secondary placement, Cardinal Health SPD-contracted Blood Factor and Cardinal Health SPD contracted Plasma Products that are not MMCAP Contract Products will be billed at market price, as communicated to the MMCAP Participating Facility prior to purchase, and for which the market price may exceed WAC.
8. Except as otherwise set forth herein, any non-contract brand prescription product purchases will be invoiced at no more than WAC, unless a State specific administrative fee would require an adjustment.
9. All additional fees (e.g., service fees, shipping charges, emergency orders, etc.) charged by Wholesaler will be in line item detail separated from the product's cost and will be tied back to an original invoice number. Wholesaler's invoices have a memo field that is used to reference the original invoice in instances where fees or credits are billed to the MMCAP Infuse Participating Facility. Wholesaler will populate this memo field for all MMCAP Infuse Participating Facility orders, if applicable.
10. At a minimum, the Wholesaler's invoice will contain the following fields:
 - MMCAP Infuse Participating Facility Name
 - Wholesaler-assigned account number for the MMCAP Infuse Participating Facility
 - Invoice number
 - Invoice line number
 - MMCAP Infuse Participating Facility's purchase order number
 - Invoice date
 - Wholesaler'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 (Contract, Non-Contract)
 - Bill to address
 - Ship to address
 - Applicable omit codes (e.g., Manufacturer Backorder, wholesaler temporarily out, manufacturer discontinued, etc.)

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

Code	Definition
T	Taxable
CO	Contract Item Override
CT	Contract
SN	Special net
CS	Source Contract
SP	Special pricing
OV	Price Override

12. Wholesaler's omit codes are:

Code	Definition
C	Dropship
2	DC out
3	Mfr out
4	Not stocked
5	Mfr disc
6	DC disc
7	Drug recall
8	New item/stock unavailable
9	Restricted item
S	Regulatory Review

13. List Chemical Designations

Code	Definition
E	Ephedrine
P	Phenylpropanolamine
S	Pseudoephedrine
L	Other List Chemical

B. Invoice Rounding

Wholesaler is required to have invoicing procedures that follow standard rounding methodology. The standard invoicing methodology will round down if the third digit after the decimal is 4 or less and round up if the third digit after the decimal is 5 or more. Wholesaler agrees that any rounding will occur at the line item.

C. Credits and Rebills

1. Wholesaler agrees to process and issue credits and rebills as manufacturer notifications are received. In the case of an invoice dispute, Wholesaler will issue credits/rebills within two (2) business days after dispute resolution.
2. Wholesaler will make credits and rebills available to each MMCAP Infuse Participating Facility online, with the option to print a hard copy.
3. Wholesaler will notify MMCAP Infuse Participating Facility of credit balances through a monthly report showing all credits that were paid and any existing credit that is still available upon request.
4. Wholesaler will provide credits issued to MMCAP Infuse Participating Facilities without an expiration date, and for all dollar amounts; credits will not be subject to a minimum amount.
5. Wholesaler agrees that in the event of a facility closure or other extreme event where the MMCAP Infuse Participating Facility will not be making another purchase through the Wholesaler, the MMCAP Infuse Participating Facility may cash out its credit(s).
6. Wholesaler agrees that if it is directed by an MMCAP Infuse Participating Facility, a credit can be transferred from one account to another account.
7. Wholesaler will clearly identify Credits as a credit.

8. The Wholesaler will take all necessary steps to ensure that credits that become available close to the end of the MMCAP Infuse Participating Facility's Fiscal Year are available for use by the MMCAP Infuse Participating Facility not later than five (5) business days prior to the end of the fiscal year.
9. Wholesaler's credit memo will contain:
 - a. Original purchase order
 - b. Original Wholesaler invoice number
 - c. Original invoice date
 - d. Itemized listing of the product(s) affected
 - e. Any rebill associated with the credit
 - f. Reason(s) for the credit (e.g., manufacturer credit, merchandise return, etc.)
 - g. Net credit amount available to the MMCAP Infuse Participating Facility
10. Wholesaler will clearly identify Rebills as a rebill. Rebilled invoices can be found online within Order Express, using Standard Reports.
11. Wholesaler's rebill memo will contain:
 - a. Original purchase order
 - b. Original Wholesaler invoice number
 - c. Original invoice date
 - d. Itemized listing of the product(s) affected
 - e. Credit memo associated with the rebill
 - f. Reason(s) for the rebill (e.g., manufacturer chargeback denial, pricing error, etc.)

D. Non-Contract Accounts

Where an MMCAP Infuse Member has determined that it does not want to purchase at the MMCAP Infuse Contract price, or any contract price, for instance where purchases need to be at WAC for potential third-party reimbursement, Wholesaler will establish a separate account. This separate account will not be attached to MMCAP Infuse contract pricing or any other contracts. To delineate this type of account, Wholesaler will implement a specific naming convention for easy identification of these WAC based priced accounts.

E. Price Audits and Corrections

1. In the event of a pricing error (e.g., late pricing load, etc.) that is solely attributable to the Wholesaler, Wholesaler agrees to no longer process credit/rebills after the greater of 90 calendar days or the maximum allowed by the supplier. Wholesaler agrees to actively pursue any available remedies with suppliers on behalf of MMCAP Infuse Participating Facilities' interests and agrees to seek exceptions to supplier imposed limitations if necessary. This clause will in no way be deemed a limitation on the Parties as it relates to the future auditing and/or correction of invoices.
2. When Wholesaler, an MMCAP Infuse Participating Facility, MMCAP Infuse, or an MMCAP Infuse contracted service vendor, like an invoice auditing service provider, discovers an error in pricing for an MMCAP Infuse Contract Product that affects one MMCAP Infuse Participating Facility, Wholesaler will issue credits/rebills to ALL MMCAP Infuse Participating Facilities for the time period from the date the error began to the date it is corrected.
3. Price Audits and Corrections: Throughout the terms of this Contract, Wholesaler will conduct contract pricing audits matching pricing information provided by MMCAP Infuse against contract pricing provided by Manufacturers. If Wholesaler discovers discrepancies, the Wholesaler will notify manufacturer and MMCAP Infuse of the discrepancy in order to reach resolution. Upon resolution, Wholesaler will correct the errors, will create a sales history report, and enter credit(s)/rebill(s) for each MMCAP Infuse Participating Facility connected to the contracts within five (5) business days. Wholesaler is expected to continue to provide the process, which was the outcome of the collaboration between the Wholesaler and MMCAP Infuse, to deliver comprehensive and efficient means to provide continuous price audit data.
4. MMCAP Infuse and the MMCAP Infuse Participating Facilities acknowledge that if a pricing discrepancy is the fault of the applicable manufacturer, such manufacturer may limit recovery arising from such pricing discrepancy and Wholesaler will not have any responsibility for such discrepancy or any such limitation.

F. Chargeback Denials

MMCAP Infuse requires the Wholesaler to provide prompt electronic notification upon receipt by the Wholesaler of a legitimate chargeback denials from manufacturers that have denied MMCAP Infuse Participating Facilities contract pricing. Notification will be communicated to MMCAP Infuse via a notification from a member of the Wholesaler's Account Management team. Wholesaler will provide this

notification within two (2) business days of validation with the supplier. Wholesaler may require support from MMCAP Infuse to rectify eligibility issues with MMCAP Infuse-contracted suppliers, and Wholesaler agrees to resubmit chargebacks for the MMCAP Infuse Participating Facility upon eligibility resolution. Notifications are to be sent to: mmcap.contracts@state.mn.us.

G. Invoice Disputes

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

The MMCAP Infuse Participating Facility will pay all portions of a disputed invoice, unless prohibited by state law, subject to resolution of that dispute. If upon resolution, the disputed invoice was found to be in error, Wholesaler will credit the original amount of the invoice or invoice line and rebill the MMCAP Infuse Participating Facility.

Where complete payment of a disputed invoice is prohibited by an MMCAP Infuse Member State's applicable law(s), the Wholesaler will comply with requirements of that state's law(s) related to disputed invoices. In addition, Wholesaler agrees that any outstanding amount on a disputed invoice will not be held against the MMCAP Infuse Participating Facility when calculating the weighted average payment date as applicable to service fee discounts. For any disputed invoice, the Wholesaler agrees to code the invoice as disputed to ensure the service fee calculation for the MMCAP Infuse Participating Facility is not impaired.

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

Where a disputed invoice is determined not to have been in error, the MMCAP Infuse Participating Facility will not be liable for interest and penalties related to the disputed amount.

H. 810 EDI Invoices and Auditing

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

I. Goods Returned to the Wholesaler

Goods returned to Wholesaler will be managed in accordance with Attachment D, Wholesaler's Returned Goods Policy.

J. Recalls

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

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

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

4.14 Verification of Authorized Purchasers and Late Payment**A. Verification of Authorized Purchasers**

As a condition for purchasing under this Contract, purchasers must be MMCAP Infuse Participating Facilities in good standing with MMCAP Infuse. Upon request of MMCAP Infuse, Wholesaler must verify that it provides goods and services under this Contract only to MMCAP Infuse Participating Facilities. Wholesaler will not be compensated for goods delivered or services performed under a Purchase Order by any entity other than the MMCAP Infuse Participating Facility that issued the Purchase Order.

B. Late Payment

This clause will not apply to an MMCAP Infuse Participating Facility when prohibited by that MMCAP Infuse Participating Facility's applicable state law.

If any MMCAP Infuse Participating Facility fails to comply with the agreed upon payment terms, Wholesaler will have the right to change the Service Fee Discount to that which the MMCAP Infuse Participating Facility is entitled to prospectively, to reflect that MMCAP Infuse Participating Facility's actual payment practices. An MMCAP Infuse Participating Facility will be deemed to have failed to comply with the payment terms if it does not make timely payment for a period lasting two cycles or, with respect to MMCAP Infuse Participating Facilities selecting the 30 Day Pay, 45 Day Pay, or 90 Day Pay for a period of sixty (60) calendar days.

Wholesaler will use commercially reasonable efforts to work with the MMCAP Infuse Participating Facility in the event payments are not timely made. Wholesaler may, at its election, either reduce payment terms to a shorter number of days or place an MMCAP Infuse Participating Facility on C.O.D status under the following circumstances: (i) if Wholesaler has not received payment of outstanding invoices in full as set forth above, or (ii) there is a material adverse change in the financial condition of the MMCAP Infuse Participating Facility. In either instance, the situation shall be immediately elevated to an executive team from both the MMCAP Infuse Participating Facility and Wholesaler in an effort to rectify the situation and restore the MMCAP Infuse Participating Facility's then current payment terms. In the event of such elevation, if the executives are unable to reach a mutually acceptable resolution within a period of twenty (20) calendar days and any undisputed amounts remain unpaid for more than ten (10) calendar days thereafter, Wholesaler reserves the right to refuse orders from the MMCAP Infuse Participating Facility.

Notwithstanding anything to the contrary that may be contained herein, Wholesaler shall have, and it hereby reserves, all the rights and remedies otherwise available to it under the Uniform Commercial Code, as in effect from time to time.

4.15 Administrative Fee

In consideration for services provided by MMCAP Infuse, the Wholesaler will pay an administrative fee on all purchases (less any credits and returns) made through Wholesaler and the Wholesaler's Specialty Products Distribution division, as specified in Attachment B. Administrative fees will not be paid on 340B, PHS, or ADAP sales or prime vendor DSH sales. The administrative fee must be paid as soon as is reasonable after the end of each month, but no later than 30 calendar days after the end of the month. Payments due MMCAP Infuse are to be remitted to the following address:

Financial Management & Reporting - MMCAP Infuse
50 Sherburne Avenue, Suite 309
St. Paul, MN 55155

The Wholesaler will not pay MMCAP Infuse Member state specific administrative or procurement fees that are not considered "pass through". "Pass Through" fees are included in state specific terms and conditions requiring the Wholesaler to increase Service Fees, and then passing them through in the form of a check to the designated State entity.

MMCAP Infuse reserves the right to collect interest on payments 30 calendar days past due at a rate of 18% annually, consistent with Minn. Stat. § 16A.124.

Wholesaler will submit monthly administrative fee data for all sales made through Wholesaler and the Wholesaler's Specialty Products Distribution division. All required administrative fee data files must be sent to: Mn.MMCAP@state.mn.us at the end of each month, but no later than 30 days after the end of the month. Failure to comply with this provision may constitute breach of this Contract.

4.16 MMCAP Infuse Service Contracts

A. Contract Price Auditing

The Wholesaler is required to have the ability to provide 810 EDI invoices to MMCAP Infuse, MMCAP Infuse Participating Facilities, and any other entity designated by MMCAP Infuse. It is expected that the Wholesaler will work with MMCAP Infuse's contracted invoice auditing vendor and that the Wholesaler will research product pricing that appears to have a discrepancy and will confirm that pricing and information with the manufacturer, making a reasonable effort to resolve errors within ten (10) business days of the notification from MMCAP Infuse-contracted invoice auditing vendor. The Wholesaler will then be expected to issue credits/rebills within three (3) days of manufacturer verification.

The Wholesaler will not charge any fees, to either MMCAP Infuse or the MMCAP Infuse Participating Facilities, for the transmissions made to MMCAP Infuse's contracted invoice auditing vendor.

B. Reverse Distribution Processor

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

C. Repackaging Services

Wholesaler is required to have an agreement throughout the term of the Contract period with the MMCAP Infuse-contracted repackaging vendor(s) to allow all MMCAP Infuse Participating Facilities to fully participate in the services offered by the MMCAP Infuse Repackaging Services Contract. It is expected that the Wholesaler will have contracts with all MMCAP Infuse contracted repackaging vendor(s), and to note the Repackaging Services vendor(s) is subject to change at any time.

Process Steps:

- a. The MMCAP Infuse Participating Facility notifies the Wholesaler that they would like to utilize an MMCAP Infuse repackaging services contract.
- b. Once the Wholesaler is notified, the Wholesaler begins the set-up work with the identified repackaging vendor.
- c. The repackaging vendor will then work directly with the MMCAP Infuse Participating Facility to qualify their needs. Paperwork will be sent to the MMCAP Infuse Participating Facility and a list of the drugs that are being requested to have repackaged should be provided (NDCs, quantities, repackaging format, etc.)
- d. Once the MMCAP Infuse Participating Facility has been qualified by the repackaging vendor and all documentation is completed, the MMCAP Infuse Participating Facility will then request a new ship-to/bill-to account be setup by the Wholesaler.
- e. The NDCs that are intended to be repackaged should be shared with the Wholesaler to ensure stocking adjustments have been made at the distribution center that would be servicing the repackaging vendor's facility on behalf of the MMCAP Infuse Participating Facility.
- f. The Wholesaler would set up the new account to have all of the MMCAP Infuse Participating Facility's standard contracts and pricing applied.
- g. The MMCAP Infuse Participating Facility will make the determination if invoicing for the repackaging services is to be through the Wholesaler or direct billed by the repackaging vendor.

- h. MMCAP Infuse Participating Facility places their first order through the new repackaging account once fully setup and order-ready.
- i. Repackaging vendor receives MMCAP Infuse Participating Facility's order the next day from the Wholesaler and processes the repackaging order according to the MMCAP Infuse Participating Facility requirements.
- j. The repackaging vendor then ships the product directly to the MMCAP Infuse Participating Facility via UPS/FedEx.
- k. Invoicing is generated based on the determination made by the MMCAP Infuse Participating Facility.

While the Wholesaler can require a repackaging vendor to pay a fee to the Wholesaler for services rendered, Wholesaler is not allowed to charge an additional fee to the MMCAP Infuse Participating Facility for utilizing this service. However if the MMCAP Infuse Participating Facility has exceeded the free delivery quota for the period of time applicable, the Wholesaler can charge a delivery fee in keeping with the delivery fee associated with exceeding the free delivery quota for the specified period of time.

The set-up of the repackaging account should not impair any account limitations or incur any initial account set-up fees to the MMCAP Infuse Participating Facility.

D. Influenza Vaccine/Medical Supplies.

Both influenza vaccine distribution and medical supplies distribution are independent, separate service offerings. It is required that reasonable efforts will be made by Wholesaler to direct MMCAP Infuse Participating Facilities to MMCAP Infuse for guidance on these service offerings. Unless Wholesaler is also awarded one or both of these other service offerings through a separate contract award processes, it is required that Wholesaler will not solicit MMCAP Infuse Participating Facilities for influenza vaccine distribution and medical supplies distribution service offerings.

4.17 Other Value-Added Services

A. Wholesaler's Generic Drug Program

Many MMCAP Infuse Members have state procurement mandates requiring the purchase of the lowest cost product. Adherence to the requirement to stock MMCAP Infuse Contract Products is in place to support the procurement mandates of MMCAP Infuse Members.

In addition to MMCAP Infuse Contract Products to support the procurement mandates of MMCAP Infuse Members MMCAP Infuse expects the Wholesaler to provide a fluid warehousing approach whereby the Wholesaler will be permitted to load its best-priced tier Generic Drug Program, offered side-by-side, in the stocking of like products. This fluid approach would allow the MMCAP Infuse Participating Facilities to choose a product from the Wholesaler's generic drug program if the product was at a lower price than the MMCAP Infuse Contract Product. The choice would be based on price, not on the Wholesaler's generic drug product being the only product stocked.

The fluid warehousing approach requires strict adherence to the following conditions:

- a. The applicable MMCAP Infuse State Contact has not opted out of the Wholesaler's Generic Drug Program.
- b. Wholesaler is not allowed to use MMCAP Infuse's contract pricing to calculate its Generic Drug Program Pricing.
- c. For consistency in communicating program savings, if Wholesaler receives requests for program savings, a demonstration of program savings, or cost avoidance regarding Wholesaler's generic drug program, Wholesaler is required to direct all inquiries to MMCAP Infuse.
- d. For consistency in communications in promoting Wholesaler's generic drug program, Wholesaler agrees to work with MMCAP Infuse on material content and potential co-branding.
- e. Wholesaler is required to clearly label any products on its Generic Drug Program as such in its ordering system.
- f. Wholesaler is required to identify Wholesaler's Generic Drug Program products as such when Wholesaler reports sales data to MMCAP Infuse.

- g. Wholesaler will be required to pay a monthly administrative fee of 3% to MMCAP Infuse on all sales of Wholesaler's Generic Drug Program products sold to MMCAP Infuse Participating Facilities, in addition to any distributor administrative fee payments. Payments due MMCAP Infuse are to be remitted to the following address:
Financial Management & Reporting – MMCAP Infuse
50 Sherburne Avenue, Suite 309
St. Paul, MN 55155
- h. Service fee discounts extended to MMCAP Infuse Participating Facilities will be applied to all Generic Drug Program sales, as set forth in Attachment C, Service Fee Discount Matrix.
- i. A complete list of products and pricing under the Generic Drug Program will be available to MMCAP Infuse Participating Facilities upon request to the Wholesaler. Wholesalers ordering system will show its Generic Drug Program pricing on those items that are lower priced, or for items that are not MMCAP Infuse Contract products. Wholesaler will provide MMCAP Infuse complete list of products and pricing under the Generic Drug Program as long as a mutually agreed Non-Disclosure Agreement (NDA) is in place.
- j. Products in Wholesaler's Generic Drug Program available to MMCAP Infuse Participating Facilities will be generic pharmaceuticals (including vitamins and over the counter products) and will not contain medical supplies or health and beauty products, unless approved by MMCAP Infuse.
- k. Wholesaler will notify all MMCAP Infuse Participating Facilities participating in the Generic Source program and MMCAP Infuse of switches in products covered under the Generic Source program.
- l. Wholesaler is required to only institute automatic substitution upon specific request of an MMCAP Infuse Participating Facility and upon written notification by the Wholesaler to MMCAP Infuse.
- m. If the same NDC is the same price on both an MMCAP Infuse contract and on Wholesaler's Generic Drug Program, the sale will be applied to MMCAP Infuse.
- n. Wholesaler agrees to stock all MMCAP Infuse Contract Products where the minimum stocking requirement of three (3) units per month per DC is met.
- o. Wholesaler is required to send MMCAP Infuse's contracted invoice auditing vendor a weekly pricing file that will include all the data necessary for the invoice auditing vendor to be able to audit the pricing invoiced to MMCAP Infuse Participating Facilities as long as a mutually agreed Non-Disclosure Agreement (NDA) is in place.
- p. Wholesaler's ordering system will have capability to accept an MMCAP Infuse Participating Facility's zero order. MMCAP Infuse Participating Facilities will need to call Customer Service to request Wholesaler stock an MMCAP Infuse Contract Product.

In order to audit compliance and non-competitiveness with the requirements above, Wholesaler must provide a report on a monthly basis to MMCAP Infuse that details each product that is currently available on the Wholesaler's Generic Drug Program and the product price so that MMCAP Infuse can validate that the Wholesaler's Generic Drug Program is not competing with MMCAP Infuse Contract Products. Wholesaler will provide as long as a mutually agreed Non-Disclosure Agreement (NDA) is in place. The minimum data fields required are listed below:

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

Wholesaler will not use MMCAP Infuse pricing or manufacturer contract terms in the Wholesaler's generic pricing program for any other use beyond managing the MMCAP Infuse Contract for MMCAP Infuse Participating Facilities, nor will MMCAP Infuse use the Wholesaler's pricing for the same purposes. Wholesaler and MMCAP Infuse will maintain appropriate policies, procedures, and information technology and infrastructure to ensure that only those employees of the Wholesaler and MMCAP Infuse that have a need to know for performance under this Contract have access to product lists, discounts, prices, and any other information that would qualify as competitive information in connection with the contracts, subject to Minn. Stat. Ch. 13.

B. MMCAP Infuse Participating Facility Negotiated Contracts

There will likely be instances where MMCAP Infuse Participating Facilities may enter into contracts individually negotiated by MMCAP Infuse Participating Facilities. In those instances, the Wholesaler is required to agree that the ordering, delivery, payment, and reporting terms of the overlying contract with MMCAP Infuse will apply to contracts individually negotiated by MMCAP Infuse Participating Facilities, including any associated service fees.

C. Pharmacy Interfaces

Wholesaler's pharmacy interfaces with software/dispensing systems will be developed and implemented as set forth in Attachment B, Discounts and Fees. Training and technical support available from Wholesaler related to pharmacy interfaces will be provided at no cost.

D. Business Development

MMCAP Infuse Members benefit when opportunities to increase purchase volumes are optimized, as well as creating business wins for MMCAP Infuse vendor partners. To strengthen current relationships and develop new ones, MMCAP Infuse deploys Field Services staff to provide front-line support to current MMCAP Infuse State Contacts and MMCAP Infuse Participating Facilities and to engage state eligible entities by explaining to them the benefits available to them through leveraging the MMCAP Infuse membership contracts to their purchasing benefit. The Wholesaler will support business development opportunities, utilizing joint engagement strategies with MMCAP Infuse Field Services, to increase the use of the MMCAP Infuse contracts. Should said efforts place the Wholesaler in a position where the Wholesaler would be in breach of contract with another business partner, the Wholesaler can exempt themselves from a business development opportunity.

E. Supplemental/Additional Services

The Wholesaler must make supplemental/additional services and products that are available to its general customers, not specifically mentioned within the resulting contract with MMCAP Infuse, available to all MMCAP Infuse Participating Facilities upon request and agreement by MMCAP Infuse and the MMCAP Infuse Participating Facilities. Wholesaler shall not solicit MMCAP Infuse Participating Facilities to participate in Wholesaler's supplemental/additional services and products programs, where such programs are already provided by MMCAP Infuse to MMCAP Infuse Participating Facilities. Prior to providing these supplemental/additional services, the Wholesaler must provide full disclosure of the services or product fees and costs to MMCAP Infuse and receive approval from MMCAP Infuse before these services and products are provided to any MMCAP Infuse Participating Facilities.

Supplemental/additional services and products offered by Wholesaler, if approved by MMCAP Infuse, will be managed through an amendment to the Contract.

4.18 Business Interruption Plan

Wholesaler must have in-place during the term of this Contract, an emergency preparedness and business continuity plan. Upon request, Wholesaler will work with the MMCAP Infuse Participating Facility to develop a pre-selected list of Products that would be needed in the event of a national or regional emergency and shipped upon availability. The Wholesaler's emergency preparedness and business continuity plan is to include specificity on how the Wholesaler will ensure that MMCAP Infuse Participating Facilities would continue to receive medications during a regional/national disaster or other unforeseen malfunction in pharmaceutical distribution. A Disaster Recovery Plan is available upon request from MMCAP Infuse or MMCAP Infuse Participating Facilities.

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

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

4.19 Shareback Credits

Wholesaler will manage, at no additional cost or fee withheld to MMCAP Infuse or MMCAP Infuse Participating Facilities, the MMCAP Infuse annual shareback credit according to the schedule below:

1. MMCAP Infuse will provide Wholesaler a list of MMCAP Infuse Participating Facilities receiving a credit, the credit amount for each facility, and a check for the total amount of all credits to be provided.
2. Wholesaler is required to apply the credit to all listed MMCAP Infuse Participating Facilities within fifteen (15) business days of the receipt of the funds and the list of facilities receiving credit has been received from MMCAP Infuse.
3. Within 30 business days of the receipt of the funds and the list of facilities receiving credit, Wholesaler is required to provide to MMCAP Infuse an Excel Spreadsheet detailing the credit memo information. This Excel listing must include the following fields: distribution center, account number, facility name, facility address, facility city, facility state, DEA, HIN, date of credit memo, credit memo number, and credit memo amount. In addition to supplying the credit memo detail to MMCAP Infuse, the Wholesaler will also provide a listing of all accounts that are inactive that cannot have a credit memo issued.
4. Credit memo issued to MMCAP Infuse Participating Facilities reflects the description "MMCAP Infuse Shareback." A description that refers to the Shareback credit as a "rebate" is not acceptable.
5. Within 60 days of the date credits were applied and the inactive accounts are communicated as stated in process step #3, MMCAP Infuse must provide W-9 documents to the Wholesaler for any facilities found on the "Inactive Account" listing provide that expect to receive their credits in the form of a check. All other outstanding credits will be refunded to MMCAP Infuse in the form of a check at the end of the 60 day waiting period.
6. The Wholesaler will work with MMCAP Infuse to identify all MMCAP Infuse Participating Facilities in an effort to issue all credits before refunding dollars back to MMCAP Infuse. Prior to any funds returned to MMCAP Infuse, written approval must be received from MMCAP Infuse.
7. Within 15 business days of written approval for funds to be returned, Wholesaler is required to issue a refund to MMCAP Infuse of the remaining dollars for which it was unable to issue credit.
8. Upon initiating the refund to MMCAP Infuse, Wholesaler will provide a copy of the original Shareback Credit spreadsheet detailing the credit information (received from MMCAP Infuse), the reason for non-application of funds, and the dollar amount of the funds being returned to MMCAP Infuse.
9. MMCAP Infuse Participating Facilities are not allowed to convert a credit provided through Shareback to a cash refund. If an MMCAP Infuse Participating Facility requests a check be issued to close out an unapplied credit memo, the Wholesaler:
 - a. Determines if said credit memo is due to the application of MMCAP Infuse Shareback;
 - b. If credit memo is due to the application of MMCAP Infuse Shareback, advise the MMCAP Infuse Participating Facility that the credit memo is not eligible to be closed out via a check;
 - c. Direct the MMCAP Infuse Participating Facility to MMCAP Infuse for any additional questions about the ineligibility of the credit memo to be closed out via a check.

Should MMCAP Infuse change its process for the Shareback Credit to a more frequent interval (semi-annual, quarterly), any time during the term of this Contract, the Wholesaler will continue to manage this process as a service inclusion, with no additional cost or fee withhold to MMCAP Infuse or MMCAP Infuse Participating Facilities.

4.20 Mandatory Reports

Wholesaler will provide the reports listed herein for all MMCAP Infuse Participating Facilities regardless of a primary GPO affiliation other than MMCAP Infuse. Reports will not include pricing or other contract details

for GPO purchases not associated with MMCAP Infuse. Wholesaler agrees that any similar reports provided to other GPOs for shared MMCAP Infuse Participating Facilities will not include MMCAP Infuse pricing or contract details.

Wholesaler is required to comply with specified formats, timing, and provision of all the reports listed in this Section. Reporting is a wholesaler work product requirement, for which the Wholesaler will provide, without additional cost to either MMCAP Infuse or MMCAP Infuse Participating Facilities.

1. Reports provided to MMCAP Infuse:

A. Sales Data Report

Wholesaler will supply to MMCAP Infuse accurate monthly sales data on or before the 10th day of the second subsequent month (e.g., June's data will be due July 10th). This report MUST include the following for every transaction between the Wholesaler and the MMCAP Infuse Participating Facility, including those transactions that come through the Wholesaler's Specialty Products Distribution division:

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

Required Data Field Full Name for Sales Data Report
MMCAP Infuse -assigned facility ID
MMCAP Infuse Facility Name
Vendor Distribution Center Code
Vendor-assigned Account number for the MMCAP Infuse Facility
Invoice Number
Invoice Line Number
Required Data Field Full Name for Sales Data Report
Purchase Order Number
Invoice date (mmddccyy)
Buyer name or equivalent of buyer ID for person submitting the invoices
Vendor's (distributor) SKU item number
NDC of purchased product in 5-4-2 format as stored in First DataBank, Inc.
Label Name
Unit Dose
Pack Size
Unit
Case Size
Dose
Strength
Route
Unit Price (99999.9999)
Quantity ordered (not Vendor repackaged or re-bundled quantity)(999999.9999)
Quantity shipped (not Vendor repackaged or re-bundled quantity) (999999.9999)
Extension (unit price multiplied by the quantity shipped) EXTENDED PRICE (99999999.999)
Type of transaction (MMCAP Infuse contract purchase, other contract purchase (340B,PHS), not on contract purchase) 1=contract item, 2=other contract, 3=not on contract
Bill to Address 1

Bill to City
Bill to State (2 alpha postal code)
Bill to Zip (standard 5-4 format, no dash necessary)
Ship to Address 1
Ship to City
Ship to State (2 alpha postal code)
Ship to Zip (standard 5-4 format, no dash necessary)
Service Fee (9999.9999)
MMCAP Infuse Contract Number (MMSxxxxx) or Generic Source Contract Identifier
Admin fee for non-contract items (9999.9999)
Credit Indicator (C for credit)
MMCAP Infuse Assigned Wholesaler Code (<i>Codes will be assigned to Wholesaler's during implementation period of the contract</i>)
Manufacture Name (MFG Name)
Class of Trade
340b Purchase

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Attachment A Scope of Work – Cardinal MMCAP Infuse Contract Number MS1900113

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

Cardinal

ATTACHMENT A

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B. Monthly Payment Report

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

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

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

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Attachment A Scope of Work – Cardinal MMCAP Infuse Contract Number MS1900113

Record Layout for the Monthly Payment File - Fixed Length Fields

Long Name (from original MMCAP Infuse Contract)	Field Name	Data Type	Format (note decimals are to be included)	Size	Nulls	Begin Column	End Column
MMCAP Infuse -assigned facility ID	MMCAP_id	Alpha Numeric		7	1	1	7
MMCAP Infuse Facility Name	MMCAP_Name	Alpha Numeric		30	1	8	37
Vendor-assigned Account number for the MMCAP Infuse Facility	VendAccountNo	Alpha Numeric		10	1	38	47
Invoice Number	InvoiceNumber	Alpha Numeric		15	1	48	62
Invoice Line Number	InvoiceLineNo	Alpha Numeric		4	1	63	66
Purchase Order Number	poNumber	Alpha Numeric		15	1	67	81
Vendor's (distributor) SKU item number	SKU	Alpha Numeric		13	1	82	94
NDC of purchased Product in 5-4-2 format as stored in First DataBank, Inc.	NDC	numeric	999999999999	11	1	95	105
Payment Due Date (mmddccyy)	DueDate	numeric	mmddccyy	8	1	106	113
Label Name	LabelName	Alpha Numeric		40	1	114	153
Packaging as associated with NDC Number	Packaging	Alpha Numeric		16	1	154	169
Date Payment Credited to Account (mmddccyy)	PaymentCDate	numeric	mmddccyy	8	1	170	177
Quantity Purchased-must be expressed in terms of the packaging associated with the NDC (not Vendor repackaged or re-bundled quantity) (999999.9999)	QuantityOrdered (Shipped)	numeric	999999.9999	11	1	178	188
Dollar Amount of Transaction-to the third decimal. The dollar amount must be the actual acquisition cost, after any discounts and service fees.	TranDollar	numeric	99999999.999	13	1	189	201
Credit Indicator (C for credit)	CreditIndicator	Alpha Numeric		1	1	202	202
ID for person making the payment	BuyerName	Alpha Numeric		20	1	203	222

C. Kill/Fill Report

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

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

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D. Contract Change Report

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

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

E. Contract File Audit Report

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

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

F. Off-Contract with Alternative On-Contract Report

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

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

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G. Raw and Adjusted Fill Rate Report

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

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

H. Wholesaler Participating Facility Listing

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

Field Long Name – Wholesaler Member Listing
MMCAP ID
DC
VendAccountNo
shiptoname
shiptoaddress
shiptocity
shiptostate
shiptozip
billtoname
billtoaddress
billtocity
billtostate
billtozip
DEA
HIN
Service Fee Discount (COGS)

I. Manufacturer Backorders

Wholesaler will provide to MMCAP Infuse, at a minimum, weekly a listing of all MMCAP Infuse Contract Products backordered due to the manufacturer's inability to supply the Product. The report is to be delivered the first business day of each week. The Excel report must be delivered electronically to mn.multistate@state.mn.us and any other sources MMCAP Infuse designates (e.g., current vendor hosting MMCAP Infuse's online catalog).

Required MBO Report Fields and Record Layout
Product Description
Manufacturer
NDC
Packaging
Reason
Restock Date
Distributor Information

Manufacturer is to be spelled out, no abbreviations.
NDC – 11 digit format as defined in First Data Bank

J. Discontinued Product Report.

A monthly, or more frequent, report detailing MMCAP Infuse Products which the Wholesaler deems to be discontinued. This report must identify reason for discontinuation (e.g. manufacturer discontinued, wholesaler discontinued, etc.). A monthly frequency reporting cycle is to be provided on or before the 10th day of the subsequent month (e.g., June's data will be due on July 10th) and the Excel report must be delivered electronically to mn.multistate@state.mn.us. The table below details the required fields from the Discontinued Product Report:

Required Discontinued Product Report
NDC
Vendor Name
Item Description
Strength
Packaging
Contract Price
Status (e.g., Mfr Disc, Wlsr Disc)

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K. Service Level Report.

Monthly report detailing service levels provided on or before the 10th day of the subsequent month (e.g., June's data will be due on July 10th) and the Excel report must be delivered electronically to mn.multistate@state.mn.us. The table below details the required fields from the Service Level Report:

Field Name - Long Name	Service Level	Report
DC Number		
DC Name		
Distributor Customer Account Number		
MMCAP ID		
Customer Name		
Bill to State		
Total Sales		
Order Qty		
Ship Qty		
Total Pieces not Shipped		
Raw SL %		
Adj SL %		

L. Service Fee Discount Report.

Quarterly report detailing applicable Service Fee Discount for each MMCAP Infuse Participating Facility based on payment terms and purchase volume. Report is to be provided not later than the 20th of the month following the end of the quarter for an effective date of the last day of the month following the end of the quarter. For example, Q1 of a fiscal year is July – September. The updated Service Fee Discount report is due to MMCAP Infuse not later than October 20th, for an effective date change of October 31st. The Excel report must be delivered electronically to mn.multistate@state.mn.us. The table below details the required fields for the Service Fee Discount (COG) report:

Field Name - Long Name	Service Level Discount (COG)	Report
Distribution Center Name		
DC Number		
Distributor Account Number		
MMCAP ID		
Customer Name		
City		
State		
Payment Terms		
3 Month Average Sales		
Previous Quarter - 3 Month Average Sales		
Matrix Volume		
NEW COGS %		
OLD COGS %		
Comment		

M. MMCAP Infuse Participating Facility Credit Report

Quarterly report detailing credits available to MMCAP Infuse Participating Facilities by account number. The report must be submitted electronically to mn.multistate@state.mn.us and is due by the 15th of the month, following the end of the quarter.

Report Requirements
MMCAP Infuse Participating Facilities Number
Facility Name
Facility State
DC
Wholesaler Account Number
Credit Issue Date
Credit Balance

N. Miscellaneous Fees Charged to MMCAP Infuse Participating Facilities

Wholesaler will provide a monthly report to MMCAP Infuse of any miscellaneous fees charged to MMCAP Infuse Participating Facilities which are not related directly to Product cost or not specified in Attachment B. Report is to be submitted on or before the 10th day of the subsequent month (e.g., June's data will be due on July 10th) and the Excel report must be delivered electronically to mn.multistate@state.mn.us.

Report Requirements
MMCAP Infuse Participating Facility Number
Facility Name
Facility State
DC
Wholesaler Account Number
Invoice Number
Invoice Date
Amount Charged
Description of Charge

2. MMCAP Infuse Member Reporting:

The following reports, are the minimum reporting requirements for the Wholesaler to make available to all MMCAP Infuse Members and these reports are to be made available online in printable copy and electronic/exportable formats (e.g., Excel).

If the Wholesaler has multiple levels of reporting packages, it is required that the Wholesaler allow MMCAP Infuse Participating Facility access to any and all reporting, whether standard, advance or analytics type of reporting, provide support to train both general and super-user of the reporting tools, as well as set-up support for super-user account structures for appropriate MMCAP Infuse Member oversight. These tools, regardless of level (standard, advance, analytics) must be provided to MMCAP Infuse Members at no additional cost for the full term of the Wholesaler Distribution Services Contract

If applicable, reports must be sortable by generic or label name, units, date range, or dollars. Additionally, units reported must correspond to the packaging associated with the NDC. Wholesaler is required to meet the reporting requirements for frequency (e.g., daily, monthly, quarterly, annually, etc.), using on-line tools for generating frequency specified reporting or ad hoc reporting options. All reporting is required to accurate for all reporting types. Standard, aggregated, and enhanced reports are to including but are not limited to the following:

- a. Reports detailing total purchases (payment amount and units) by individual item (e.g., NDC, SKU, supplier, generic name, and/or label name);
- b. Cost savings reports associated with the use of either MMCAP Infuse Contract Products or other alternative contracts (should be compared to relevant retail pricing);
- c. Reports displaying purchases of controlled substances and the associated invoice and/or purchase order numbers along with MMCAP Infuse Participating Facility name, account number, NDC number, invoice number, invoice line number, label name, date shipped, amount paid, date payment credited, FDA schedule category, and DEA number;
- d. Velocity (80/20) report (fastest moving and highest dollar) containing forecasted velocity codes with order points and order quantities; contains cumulative percentages;
- e. Price change report, indicating products with price changes; includes percentage change in price;
- f. Credit and Rebill reconciliation reporting;
- g. Physical inventory reports sorted by American Hospital Formulary Service (AHFS) pharmaceutical category. These reports must show the label name, NDC, quantity, cost per unit and the extended cost of the product units on hand;
- h. Drug usage (amount paid and units) reports by AHFS category. Percentages for each category must be provided. MMCAP Infuse Participating Facilities must be able to select all AHFS categories as well as select specific AHFS categories;
- i. A report detailing all items that were ordered, but that will not be delivered, provided to the MMCAP Infuse Participating Facility the same day the order is generated by the same method that the order was transmitted;
- j. Manufacturer backorder reports, identifying where products were not available due to manufacturers' inability to supply that captures all product alternatives purchased in its place;
- k. Product category breakdown reports, which display total procurement dollar volume for categories such as brand, generic, OTC, 340B, contract, non-contract, etc.;
- l. Invoice reports, selected by invoice number, account number, purchase order number, or at billing statement intervals;
- m. On- and off- contract reports that display total dollars spent on and off contract; MMCAP Infuse Members should be able to drill down into item purchases;
- n. Off-contract purchases with contract alternatives report; and
- o. Any other reports required by law.

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ATTACHMENT B**DISTRIBUTOR ADMINISTRATIVE FEE (Payable by Wholesaler to MMCAP Infuse)**

0.40% will be paid to MMCAP Infuse on all MMCAP Infuse Member purchases (less any credits and returns) made through the Wholesaler under this Contract. Distributor Administrative fees will not be paid on 340B Drug Pricing Program Sales or 340B DSH sales.

OTHER FEES (Payable by MMCAP Infuse Member To Wholesaler)**1. Deliveries**

Deliveries	Routine	Emergency
Regardless of dollar volume	5 per week*	12 per year**

* For MMCAP Infuse Participating Facilities located in Hawaii, one mid-week per week delivery for average monthly purchase volumes of \$25,000 or less, and two mid-week deliveries per week for average monthly purchase volumes greater than \$25,000.

** Wholesaler will make a good faith effort to make emergency deliveries within four (4) hours following receipt of the order; emergency deliveries to Alaska and Hawaii will likely take longer.

- a. If a MMCAP Infuse Member requires more deliveries beyond the allotments specified for routine and emergency deliveries, the Wholesaler will pass on the cost of the delivery to the MMCAP Infuse Member.
- b. There will be no charges for the delivery of MMCAP Infuse Contract or Non-Contract Bulky Products so long as the delivery falls within the MMCAP Infuse Member's normal delivery schedule.
- c. Wholesaler will not assess a delivery fee to an MMCAP Infuse Member for drop shipped deliveries, unless delivery charges are passed onto Wholesaler by the supplier.
- d. Wholesaler will not assess a delivery fee to an MMCAP Infuse Member for Specialty deliveries, unless delivery charges are passed onto Wholesaler/SPD by the supplier.
- e. Wholesaler will not assess delivery fee to an MMCAP Infuse Member for products shipped to MMCAP Infuse's contracted repackaging vendor(s), unless delivery charges are passed onto the Wholesaler by the repackager.
- f. Control substances shipping – if held to be shipped with MMCAP Infuse Member's regular order and not shipped with regular order, there will be no charge to the Member to ship it and there will be no impairment to the weekly allotment.
- g. MMCAP Infuse Members are responsible for notifying the Wholesaler of any expected facility closures (holiday, inventory, etc.). In the event Wholesaler attempts to make a delivery of an order for an MMCAP Infuse Member that has failed to notify the Wholesaler of an expected facility

closure, and the delivery attempt results in a non-delivery, requiring the order to be returned to the distribution center, the Wholesaler will be allowed to assess the MMCAP Infuse Member a sixty dollar (\$60) fee for failure to notify. This fee will not be assessed if the delivery attempt failure is due to an unexpected facility closure.

2. MMCAP Infuse Service Contracts

Service	Fees
DSCSA 3T Data Storage and Access	No Charge
Contract Price Audit	No Charge
Reverse Distribution	No Charge
Repackaging*	No Charge

*Note 1.e. on Delivery charges.

3. DSCSA

Wholesaler will retain all 3T Data per the requirements specified by the DSCSA, a minimum of six (6) years, for MMCAP Infuse Members served by the Wholesaler, regardless of whether or not the MMCAP Infuse Members are presently utilizing the Wholesaler for pharmaceutical distribution services. Access to the 3T Data, for the required timeline, will be provided at **no charge** to MMCAP Infuse Members. Wholesaler access will be consistent with the requirement to allow the MMCAP Infuse Member enough time to respond to the FDA within 48 hours for product inquiries.

MMCAP Infuse Participating Facilities will have the responsibility of utilizing the third-party end user agreement to document that the Wholesaler will hold and retain 3T data.

4. Reporting

Reporting	Standard	Advanced Reporting
	No Charge	No Charge*

*The value of such advanced reporting programs (\$99 per month for six (6) dashboards; \$30 per month for individual dashboards) 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 products purchased by MMCAP Infuse Members under the terms of this Contract. MMCAP Infuse Members 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 this Contract, or as otherwise requested or required by any governmental agency, the net cost actually paid by MMCAP Infuse Members. In lieu of accepting this free service, MMCAP Infuse Members may elect to pay for such advanced reporting programs, at the rates set forth above. Upon request of MMCAP Infuse, Wholesaler agrees to provide a

list of MMCAP Infuse Members utilizing advanced reporting programs and whether or not they have elected to pay for the service.

5. Inventory Support

Inventory Support	Fees
Restocking Fee	Returns subject to specific requirements outlined within Attachment D (Wholesaler's Returned Goods Policy).
Shelf Labels	No Charge
On-site support of physical inventory	No Charge
Handheld devices	Price per Device <ul style="list-style-type: none"> • MC 1000 – Long Term Lease, minimum 3 month requirement, \$25/month or \$250 per year • Physical Inventory <ul style="list-style-type: none"> – Single Unit, 1 docking station \$50 – Small Bundle, 4 handhelds, 1 docking station \$150 – Large Bundle, 6 handhelds, 2 docking stations \$250 • MC 40 – Long Term Lease \$100 per month • MC1000/MC2180 \$40 per month

6. Pharmacy Interfaces.

Fees will vary depending on scope of work and third party punch-out requirements. Wholesaler will not assess additional fees for Wholesaler staff resources, however, fees incurred by third party solution providers will be passed on to the MMCAP Infuse Member dollar for dollar.

ATTACHMENT C

Table 1: Service Fee Discount Pricing Matrix					
	State Monthly Purchase Volume				
Facility Payment Terms	\$1 to \$500,000	\$500,001 to \$1,000,000	\$1,000,001 to \$2,000,000	\$2,000,001 to \$4,000,000	\$4,000,001 to \$6,000,000
30 Day Pre-Pay	-5.79%	-6.37%	-6.86%	-7.16%	-7.37%
15 Day Pre-Pay	-5.50%	-6.08%	-6.57%	-6.87%	-7.08%
7 Day Pre-Pay	-5.32%	-5.90%	-6.39%	-6.69%	-6.90%
Next Day Pay	-5.14%	-5.72%	-6.31%	-6.61%	-6.82%
7 Day Net	-5.00%	-5.58%	-6.22%	-6.52%	-6.73%
15 Day Net	-4.82%	-5.40%	-6.04%	-6.34%	-6.55%
30 Day Net	-4.53%	-5.11%	-5.75%	-6.05%	-6.26%
45 Day Net	-4.08%	-4.51%	-5.10%	-5.40%	-5.61%
60 Day Net	-3.07%	-3.45%	-3.94%	-4.24%	-4.45%
90 Day Net	-2.26%	-2.84%	-3.13%	-3.43%	-3.64%
Facility Payment Terms	\$6,000,001 to \$12,000,000	\$12,500,001 to \$18,000,000	\$18,000,001 to \$24,000,000	\$24,000,001 and above	
30 Day Pre-Pay	-7.72%	-7.82%	-8.07%	-8.32%	
15 Day Pre-Pay	-7.43%	-7.53%	-7.78%	-8.03%	
7 Day Pre-Pay	-7.25%	-7.35%	-7.60%	-7.85%	
Next Day Pay	-7.12%	-7.22%	-7.47%	-7.72%	
7 Day Net	-7.03%	-7.13%	-7.38%	-7.63%	
15 Day Net	-6.85%	-6.95%	-7.20%	-7.45%	
30 Day Net	-6.56%	-6.66%	-6.91%	-7.16%	
45 Day Net	-5.96%	-6.06%	-6.31%	-6.56%	
60 Day Net	-4.70%	-4.75%	-4.80%	-4.85%	
90 Day Net	-3.89%	-3.94%	-3.99%	-4.04%	

Table 2: Annual Volume Incentive:

MMCAP Infuse Volume Per Year*	Additional Service Fee Discount Adjustment
\$0 - \$199,999,999	75 Basis Points (0.75%)
\$200,000,000 - \$499,999,999	50 Basis Points (0.50%)
\$500,000,000 - \$749,999,999	25 Basis Points (0.25%)
\$750,000,000 - \$999,999,999	No Additional Service Fee Discount Adjustment
\$1,000,000,000 - \$1,999,999,999	-15 Basis Points (-0.15%)
\$2,000,000,000 and Above	-25 Basis Points (-0.25%)

*Total book of business between MMCAP Infuse and Wholesaler

The following payment term options shall be available to each MMCAP Infuse Member:

30 Day Pre-Pay:

Option 1 Pre-Pay: A one time deposit equal to 30 days purchase value is due by the 25th of the previous month. Thereafter, payment is due on or before seven calendar days from the date of invoice.

Option 2 Pre-Pay Draw: A deposit made monthly equal to either previous three months average OR previous one month's purchases; whichever is greater is due by the 23rd of the previous month. Following the close of the month, monthly reconciliation and true up process is conducted to determine any over payment/underpayment and determine next month's pre-pay payment.

15 Day Pre-Pay:

Option 1 Pre-Pay: A one-time deposit equal to 15 days purchase value is due by the 25th of the previous month. Thereafter, payment is due on or before seven calendar days from the date of invoice.

Option 2 Pre-Pay Draw: A deposit made monthly equal to either previous three months average OR previous one month's purchases; whichever is greater is due by the 7th of the present month. Following the close of the month, monthly reconciliation and true up process is conducted to determine any over payment/underpayment and determine next month's pre-pay payment.

7 Day Pre-Pay:

Option 1 Pre-Pay: A one-time deposit equal to 7 days purchase value is due by the 25th of the previous month. Thereafter, payment is due on or before seven calendar days from the date of invoice.

Option 2 Pre-Pay Draw: A deposit made monthly equal to either previous three months average OR previous one month's purchases; whichever is greater is due by the 7th of the present month. Following the close of the month, monthly reconciliation and true up process is conducted to determine any over payment/underpayment and determine next month's pre-pay payment.

Next Day Net: Next Day Net means that the MMCAP Infuse Member will pay Wholesaler in full on or before the next calendar day of when the invoice is generated within Wholesaler's ordering system.

Seven (7) Day Net: 7 Day Net means that the MMCAP Infuse Member will pay Wholesaler in full on or before the 7th calendar day of when the invoice is generated within Wholesaler's ordering system.

Fifteen (15) Day Net: 15 Day Net means that MMCAP Infuse Member will pay Wholesaler in full on or before the 15th calendar day of when the invoice is generated within Wholesaler's ordering system.

Thirty (30) Day Net: 30 Day Net means that MMCAP Infuse Member will pay Wholesaler in full on or before the 30th calendar day of when the invoice is generated within Wholesaler's ordering system.

Forty-Five (45) Day Net: 45 Day Net means that MMCAP Infuse Member will pay Wholesaler in full on or before the 45th calendar day of when the invoice is generated within Wholesaler's ordering system.

Sixty Day (60) Day Net: 60 Day Net means that MMCAP Infuse Member will pay Wholesaler in full on or before the 60th calendar day of when the invoice is generated within Wholesaler's ordering system.

Ninety Day (90) Day Net: 90 Day Net means that MMCAP Infuse Member will pay Wholesaler in full on or before the 90th calendar day of when the invoice is generated within Wholesaler's ordering system.

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

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

Wholesaler will accept Electronic Funds Transfer (EFT) for payment, but does not offer any additional discounts for paying by EFT. Government Purchasing Cards (P-Cards) are not an allowable payment modality.

Wholesaler will apply service fee discounts to all emergency deliveries.

Wholesaler will apply service fee discounts to all MMCAP Infuse Contract Products. Service fee discounts will be applied to MMCAP Infuse Contract Products that also meet the definition of Bulky Products. Service fee discounts will be applied to Non- Contract Products, (including Wholesaler's Generic Drug Program Products), with the exception of Non-Contract Products that also meet the definition of Bulky Products and/or priced from the Apexus Source contracts.

Service fee discounts will not be applied to Non-Contract Bulky Products.

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

Service fee discount exception (Table 3) will be applied to all products drop shipped through Cardinal Health SPD.

The purchase price for the below listed items are not subject to the standard Service Fee Discount Pricing Matrix, and will instead be priced according to the below Service Fee Discount Exceptions, unless an MMCAP Infuse Member's applicable Service Fee Discount is lower, in which case, the lower Service Fee Discount will be applied. For example if an MMCAP Infuse Member's applicable Service Fee Discount is -3.07%, such Member's Service Fee Discount applicable to its purchases of Hepatitis C Direct-Acting Antivirals (DAA) will be -3.07%, not -5.05%.

Table 3: Service Fee Discount Exceptions

Product	Service Fee Discount
Hepatitis C Direct-Acting Antivirals (DAA)	-5.05%
Specialty Products Division (SPD) Distribution	-2.00%

Table 4: Application of Service Fee Matrix:

Application of Service Fee Matrix	Yes	No
MMCAP Infuse Contract Products	X	
MMCAP Infuse Contract Bulky Products	X	
MMCAP Infuse Contract Products Drop Shipped	X	
MMCAP Infuse Contract Product for which due to Wholesaler stocking error, must be Drop Shipped to meet the needs of the MMCAP Infuse Member	X	
Wholesaler's Generic Source Program	X	
Non-Contract (Generic/Brand)	X	
Non-Contract Bulky Products		X
Apexus Generic Portfolio ¹		X

¹ Service fee discounts will not be applied to the Apexus Generic Portfolio for those MMCAP Infuse Members who are eligible.

Service fee discounts as specified in the Service Fee Matrix (Table 1) are based on the previous quarter's payment performance and sales volume for each MMCAP Infuse Member. Wholesaler will be allowed to change MMCAP Infuse Members' service fee discounts four times annually within 30 calendar days after the close of each fiscal quarter (e.g., service fee discounts for January through March must be changed by April 30). If Wholesaler does not make changes to the service fee discounts within 30 calendar days, Wholesaler will be required to make the changes that positively impact MMCAP Infuse Members and backdate those changes to the first day of the quarter, but will not be allowed to make changes to those accounts that are negatively impacted until the next fiscal quarter.

Wholesaler will provide MMCAP Infuse a draft of the proposed service fee discount changes for all MMCAP Infuse Members ten (10) business days prior to the date the changes will take effect. If MMCAP Infuse identifies any errors in the proposed service fee discounts, Wholesaler will resolve any concerns, by reviewing, modifying, and resending a draft of the proposed changes such that the required deadline is met.

Cardinal Health Pharmaceutical Distribution Returned Goods Policy

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:

1 – 90 Days from Invoice Date

91 – 120 Days

121 – 365 Days

Normal Credit Amount:

100% of original invoice amount paid by customer. This policy covers all order shortages, filling errors and damage if reported within three (3) business days and such products are returned within ten (10) business days of the date of the applicable invoice. Recalled products must be returned in accordance with applicable recall terms.

90% of original invoice amount paid by customer. Provided, however, if applicable Cardinal Health 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.

75% of original invoice amount paid by customer. Provided, however, if applicable Cardinal Health 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.

Returns made greater than 365 days from the invoice date will not be accepted. No credit will be issued, and the product will be returned to customer.

Recalls

100% of return value (prorated for partial return) or, if known, applicable manufacturer credit.

"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:

- a) Any product purchased from any supplier other than Cardinal Health.
- b) 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 stickered, marked, damaged, defaced, or otherwise cannot readily be resold by Cardinal Health for any reason.
- c) Short-dated (less than seven (7) months expiration dating)
- d) Any product that is outdated, seasonal, purchased on a "special order" basis, non-stocked or discontinued, drop-shipped, deals, pre-packs, frozen, products with low stability (e.g., unusually sensitive to temperature/handling situations), products considered to be toxic waste, and products not returnable by law proposed at the time of return and products remaining in opened containers.
- e) Any product not intended for return to a wholesaler in accordance with the return policies of the applicable manufacturer.
- f) 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. Stickered products will be handled as follows: Cardinal Health will remove the sticker, retain the product and credit the customer (as applicable pursuant to this policy). If the product is damaged during the removal of the sticker, no credit will be issued to customer and the product will be returned to customer.

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 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. 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.

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.

Schedule II controlled substance products unless C-II's are damaged in shipment are not returnable. Customer must notify Cardinal Health immediately (no later than 24 hours after delivery). Cardinal Health will correct order or issue a credit under this circumstance.

Where the customer orders more Schedule II controlled substance products than intended, Cardinal Health may authorize the return and credit. Customer must notify Cardinal Health immediately (no later than 24 hours after delivery).

Unsaleable or unmerchantable controlled drugs (CII's-CV's) products designated "no recourse" or "un-returnable" or other similar designation, if returned to Cardinal Health, the customer will receive zero (0) credit and in addition, may be returned to the customer and any potential processing and freight charges will be charged to the customer.

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.

- a) If the MRA Form is not signed, no credit will be issued, and the products will be returned to the customer.
- b) 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).
- c) 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

Excessive returns may result in higher restocking fees as deemed necessary by Cardinal Health. In such an instance, Cardinal Health shall provide customer and MMCAP with at least (30) days written notice prior to implementing a higher restocking fee.

Products purchases from Cardinal Health SPD are generally non-returnable or may be subject to a different returned goods policy.

DSCSA

Cardinal Health currently has projects and processes in place to comply with the DSCSA guidelines as they pertain to returns. System tools are currently being tested, internally and externally, to ensure that the DSCSA-required data points are recorded accurately. Once the testing is successful, the data elements will act behind the scenes with no inconvenience to our customers.

There are four data elements required by DSCSA as they pertain to returns, so as long as the product is still in saleable condition and as long as the four data elements are present for the return product, there will not be a change in our returns policy.

This policy is subject to change without prior 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. Cardinal Health will use commercially reasonable efforts to notify MMCAP of any change to this policy within ten (10) business days of said change.

AMENDMENT NO. 1 TO MMCAP INFUSE CONTRACT NO. MMS1900113

THIS AMENDMENT NO. 1 ("Amendment") is entered into on the date all required signatures are obtained for this document by and between the State of Minnesota acting through its Commissioner of Administration ("Minnesota") on behalf of the MMCAP Infuse ("MMCAP Infuse") and Cardinal Health 110, LLC and Cardinal Health 112, LLC, whose designated business address is 7000 Cardinal Place, Dublin, Ohio 43017 ("Vendor").

RECITALS

WHEREAS, MMCAP Infuse and Vendor has executed a contract (MMS1900113) that will be effective on November 1, 2019 ("Original Contract");

WHEREAS, MMCAP Infuse and Vendor have agreed to certain changes in the terms and conditions set forth in the Original Contract and have agreed to amend the Original Contract to reflect said changes;

WHEREAS, besides the terms and conditions of the Original Contract amended in this Amendment, the Agreement remains in full force and effect; and

NOW, THEREFORE, the parties acknowledge and hereby agree that the Original Contract shall be amended as follows:

Capitalized Terms; Definitions; Conditions. The Original Contract and Amendment shall be read together as one document. Any capitalized terms used in Amendment that are defined in the Original Contract will have the same meaning(s) when used herein, unless the context clearly requires otherwise. To the extent there shall exist a conflict between the Original Contract and this Amendment, the terms of this Amendment will control. Unless otherwise clearly altered, modified, deleted, or amended otherwise, the terms of the Original Contract will continue in their entirety and govern the contractual relationship between Vendor and MMCAP Infuse.

Attachment Modification

Revision 1: Attachment C – Service Fee Discount Matrix of the Original Contract will be deleted in its entirety and replaced with the new **Attachment C – Service Fee Discount Matrix**, as set forth on Exhibit A of this Amendment, which is attached and incorporated herein.

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

VENDOR: Cardinal Health 110, LLC and Cardinal Health 112, LLC

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

Name: Brad Cochran
Signature: [Signature]
Title: SVP, National Markets
Date: August 12, 2019

STATE OF MINNESOTA FOR MMCAP INFUSE

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

Name: [Signature]
Signature: [Signature]
Date: Aug 14, 2019

COMMISSIONER OF ADMINISTRATION

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

Name: Jennifer VanderPligt
Signature: [Signature]
Date: 8/14/2019

EXHIBIT A
Attachment C – Service Fee Discount Matrix

Table 1: Service Fee Discount Pricing Matrix*					
	State Monthly Purchase Volume				
Facility Payment Terms	\$1 to \$500,000	\$500,001 to \$1,000,000	\$1,000,001 to \$2,000,000	\$2,000,001 to \$4,000,000	\$4,000,001 to \$6,000,000
30 Day Pre-Pay	-5.79%	-6.37%	-6.86%	-7.16%	-7.37%
15 Day Pre-Pay	-5.50%	-6.08%	-6.57%	-6.87%	-7.08%
7 Day Pre-Pay	-5.32%	-5.90%	-6.39%	-6.69%	-6.90%
Next Day Pay	-5.14%	-5.72%	-6.31%	-6.61%	-6.82%
7 Day Net	-5.00%	-5.58%	-6.22%	-6.52%	-6.73%
15 Day Net	-4.82%	-5.40%	-6.04%	-6.34%	-6.55%
30 Day Net	-4.53%	-5.11%	-5.75%	-6.05%	-6.26%
45 Day Net	-4.08%	-4.51%	-5.10%	-5.40%	-5.61%
60 Day Net	-3.07%	-3.45%	-3.94%	-4.24%	-4.45%
90 Day Net	-2.26%	-2.84%	-3.13%	-3.43%	-3.64%
Facility Payment Terms	\$6,000,001 to \$12,000,000	\$12,500,001 to \$18,000,000	\$18,000,001 to \$24,000,000	\$24,000,001 and above	
30 Day Pre-Pay	-7.72%	-7.82%	-8.07%	-8.32%	
15 Day Pre-Pay	-7.43%	-7.53%	-7.78%	-8.03%	
7 Day Pre-Pay	-7.25%	-7.35%	-7.60%	-7.85%	
Next Day Pay	-7.12%	-7.22%	-7.47%	-7.72%	
7 Day Net	-7.03%	-7.13%	-7.38%	-7.63%	
15 Day Net	-6.85%	-6.95%	-7.20%	-7.45%	
30 Day Net	-6.56%	-6.66%	-6.91%	-7.16%	
45 Day Net	-5.96%	-6.06%	-6.31%	-6.56%	
60 Day Net	-4.70%	-4.75%	-4.80%	-4.85%	
90 Day Net	-3.89%	-3.94%	-3.99%	-4.04%	

*Wholesaler will adjust the Service Fee Discount by 1.00% for those MMCAP Infuse Members that notify MMCAP Infuse of their decision to opt-out of allowing Wholesaler to attach the MMCAP Infuse Member to the Wholesaler's Generic Source contracts. For example if the aggregated monthly volume is \$1 to \$500,000 and the payment term is 30 Day Net, the COG for an opt-out election would be a minus 3.53% (4.53%-1%).

Table 2: Annual Volume Incentive:

MMCAP Infuse Volume Per Year*	Additional Service Fee Discount Adjustment
\$0 - \$199,999,999	75 Basis Points (0.75%)
\$200,000,000 - \$499,999,999	50 Basis Points (0.50%)
\$500,000,000 - \$749,999,999	25 Basis Points (0.25%)
\$750,000,000 - \$999,999,999	No Additional Service Fee Discount Adjustment
\$1,000,000,000 - \$1,999,999,999	-15 Basis Points (-0.15%)
\$2,000,000,000 and Above	-25 Basis Points (-0.25%)

*Total book of business between MMCAP Infuse and Wholesaler

The following payment term options shall be available to each MMCAP Infuse Member:

30 Day Pre-Pay:

Option 1 Pre-Pay: A one time deposit equal to 30 days purchase value is due by the 25th of the previous month. Thereafter, payment is due on or before seven calendar days from the date of invoice.

Option 2 Pre-Pay Draw: A deposit made monthly equal to either previous three months average OR previous one month's purchases; whichever is greater is due by the 23rd of the previous month. Following the close of the month, monthly reconciliation and true up process is conducted to determine any over payment/underpayment and determine next month's pre-pay payment.

15 Day Pre-Pay:

Option 1 Pre-Pay: A one-time deposit equal to 15 days purchase value is due by the 25th of the previous month. Thereafter, payment is due on or before seven calendar days from the date of invoice.

Option 2 Pre-Pay Draw: A deposit made monthly equal to either previous three months average OR previous one month's purchases; whichever is greater is due by the 7th of the present month. Following the close of the month, monthly reconciliation and true up process is conducted to determine any over payment/underpayment and determine next month's pre-pay payment.

7 Day Pre-Pay:

Option 1 Pre-Pay: A one-time deposit equal to 7 days purchase value is due by the 25th of the previous month. Thereafter, payment is due on or before seven calendar days from the date of invoice.

Option 2 Pre-Pay Draw: A deposit made monthly equal to either previous three months average OR previous one month's purchases; whichever is greater is due by the 7th of the present month. Following the close of the month, monthly reconciliation and true up process is conducted to determine any over payment/underpayment and determine next month's pre-pay payment.

Next Day Net: Next Day Net means that the MMCAP Infuse Member will pay Wholesaler in full on or before the next calendar day of when the invoice is generated within Wholesaler's ordering system.

Seven (7) Day Net: 7 Day Net means that the MMCAP Infuse Member will pay Wholesaler in full on or before the 7th calendar day of when the invoice is generated within Wholesaler's ordering system.

Fifteen (15) Day Net: 15 Day Net means that MMCAP Infuse Member will pay Wholesaler in full on or before the 15th calendar day of when the invoice is generated within Wholesaler's ordering system.

Thirty (30) Day Net: 30 Day Net means that MMCAP Infuse Member will pay Wholesaler in full on or before the 30th calendar day of when the invoice is generated within Wholesaler's ordering system.

Forty-Five (45) Day Net: 45 Day Net means that MMCAP Infuse Member will pay Wholesaler in full on or before the 45th calendar day of when the invoice is generated within Wholesaler's ordering system.

Sixty Day (60) Day Net: 60 Day Net means that MMCAP Infuse Member will pay Wholesaler in full on or before the 60th calendar day of when the invoice is generated within Wholesaler's ordering system.

MMS1900113
Amendment 1
Tendered: Date

Ninety Day (90) Day Net: 90 Day Net means that MMCAP Infuse Member will pay Wholesaler in full on or before the 90th calendar day of when the invoice is generated within Wholesaler's ordering system.

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

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

Wholesaler will accept Electronic Funds Transfer (EFT) for payment, but does not offer any additional discounts for paying by EFT. Government Purchasing Cards (P-Cards) are not an allowable payment modality.

Wholesaler will apply service fee discounts to all emergency deliveries.

Wholesaler will apply service fee discounts to all MMCAP Infuse Contract Products. Service fee discounts will be applied to MMCAP Infuse Contract Products that also meet the definition of Bulky Products. Service fee discounts will be applied to Non-Contract Products, (including Wholesaler's Generic Drug Program Products), with the exception of Non-Contract Products that also meet the definition of Bulky Products and/or priced from the Apexus Source contracts.

Service fee discounts will not be applied to Non-Contract Bulky Products.

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

Service fee discount exception (Table 3) will be applied to all products drop shipped through Cardinal Health SPD.

The purchase price for the below listed Items are not subject to the standard Service Fee Discount Pricing Matrix, and will instead be priced according to the below Service Fee Discount Exceptions, unless an MMCAP Infuse Member's applicable Service Fee Discount is lower, in which case, the lower Service Fee Discount will be applied. For example if an MMCAP Infuse Member's applicable Service Fee Discount is -3.07%, such Member's Service Fee Discount applicable to its purchases of Hepatitis C Direct-Acting Antivirals (DAA) will be -3.07%, not -5.05%.

Table 3: Service Fee Discount Exceptions

Product	Service Fee Discount
Hepatitis C Direct-Acting Antivirals (DAA)	-5.05%
Specialty Products Division (SPD) Distribution	-2.00%

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Table 4: Application of Service Fee Matrix:

Application of Service Fee Matrix	Yes	No
MMCAP Infuse Contract Products	X	
MMCAP Infuse Contract Bulky Products	X	
MMCAP Infuse Contract Products Drop Shipped	X	
MMCAP Infuse Contract Product for which due to Wholesaler stocking error, must be Drop Shipped to meet the needs of the MMCAP Infuse Member	X	
Wholesaler's Generic Source Program	X	
Non-Contract (Generic/Brand)	X	
Non-Contract Bulky Products		X
Apexus Generic Portfolio ¹		X

¹ Service fee discounts will not be applied to the Apexus Generic Portfolio for those MMCAP Infuse Members who are eligible.

Service fee discounts as specified in the Service Fee Matrix (Table 1) are based on the previous quarter's payment performance and sales volume for each MMCAP Infuse Member. Wholesaler will be allowed to change MMCAP Infuse Members' service fee discounts four times annually within 30 calendar days after the close of each fiscal quarter (e.g., service fee discounts for January through March must be changed by April 30). If Wholesaler does not make changes to the service fee discounts within 30 calendar days, Wholesaler will be required to make the changes that positively impact MMCAP Infuse Members and backdate those changes to the first day of the quarter, but will not be allowed to make changes to those accounts that are negatively impacted until the next fiscal quarter.

Wholesaler will provide MMCAP Infuse a draft of the proposed service fee discount changes for all MMCAP Infuse Members ten (10) business days prior to the date the changes will take effect. If MMCAP Infuse identifies any errors in the proposed service fee discounts, Wholesaler will resolve any concerns, by reviewing, modifying, and resending a draft of the proposed changes such that the required deadline is met.

AMENDMENT NO. 2 TO MMCAP INFUSE CONTRACT NO. MMS1900113

THIS AMENDMENT NO. 3 ("Amendment") is entered into on the date all required signatures are obtained for this document by and between the State of Minnesota acting through its Commissioner of Administration ("Minnesota") on behalf of the MMCAP Infuse ("MMCAP Infuse") and Cardinal Health 110, LLC and Cardinal Health 112, LLC, whose designated business address is 7000 Cardinal Place, Dublin, Ohio 43017 ("Wholesaler").

RECITALS

WHEREAS, MMCAP Infuse and Wholesaler have executed contract MMS1900113 that will be effective on November 1, 2019 ("Original Contract");

WHEREAS, MMCAP Infuse and Vendor amended certain terms and conditions of the Original Contract by the way of Amendment 1 on August 14, 2019; together, Original Contract and Amendment 1 will be referred to as "Agreement";

WHEREAS, MMCAP Infuse and Wholesaler have agreed to certain changes in the terms and conditions set forth in the Agreement and have agreed to amend the Agreement to reflect said changes;

WHEREAS, besides the terms and conditions of the Agreement amended in this Amendment, the Agreement remains in full force and effect; and

NOW, THEREFORE, the parties acknowledge and hereby agree that the Agreement shall be amended as follows:

Capitalized Terms; Definitions; Conditions. The Agreement and Amendment shall be read together as one document. Any capitalized terms used in Amendment that are defined in the Agreement will have the same meaning(s) when used herein, unless the context clearly requires otherwise. To the extent there shall exist a conflict between the Agreement and this Amendment, the terms of this Amendment will control. Unless otherwise clearly altered, modified, deleted, or amended otherwise, the terms of the Agreement will continue in their entirety and govern the contractual relationship between Wholesaler and MMCAP Infuse.

In this Amendment, changes to pre-existing Agreement language will use ~~strike through~~ for deletions and underlining for insertions.

Revision 1: When fully executed, Section 15.3 of the Agreement will be amended as follows:

15.3 Release of MMCAP Infuse data. Except as may be required by Minnesota Data Practices Act, Minn. Stat. Ch. 13, or as provided in ~~Section 13~~ Section 16, WHOLESALER shall not release to any third party any MMCAP Infuse customer data, sales transaction data, DEA/HIN information, contract pricing, EDI transaction data, reverse distribution data, or payment data.

Revision 2: When fully executed, Section 34.2.4 of the Agreement will be deleted in its entirety and replaced as follows:

34.2.4 Delivery Delays. Deliveries shall be made by the WHOLESALER in accordance with the delivery window specified in Attachment A. WHOLESALER shall credit to the Member a fee of sixty dollars (\$60.00) per order not delivered within sixty (60) minutes of a delivery window, and sixty dollars (\$60.00) for each day thereafter the delivery is not received, payable as a credit to the Member within fourteen (14) calendar days of WHOLESALER'S disposition of the reported delay. WHOLESALER shall not be responsible for paying the aforementioned fee for delays outside of its control. MMCAP Infuse Members must report each delivery delay to WHOLESALER within twenty-four (24) hours, giving the WHOLESALER opportunity to research the source of delay and applicability of the fee.

Revision 3: When fully executed, Section 4.2 of Attachment A of the Agreement will be amended as follows:

4.2 Service Area

As of the Contract effective date, Wholesaler will provide the full range of contracted services under this Contract to all requesting MMCAP Infuse Participating Facilities and/or MMCAP Infuse Members. Unless approved by MMCAP Infuse in writing, Wholesaler must provide services to all MMCAP Infuse Participating Facilities within a state (not partial service coverage), subject to the requirements of Section 4.4. The MMCAP Infuse Office (represented by the term MMCAP Infuse) reserves the right to add or delete MMCAP Infuse Members at any time during the Contract term.

Wholesaler will provide service to the MMCAP Infuse Members specified in an amendment.

A. Upon request of the following, Wholesaler will provide pharmaceutical wholesaler distribution services to:

- i. Berks Heim Nursing Home located in Pennsylvania
- ii. City of Chicago, Illinois
- iii. Kent State University
- iv. Michigan Oakland County Health Division
- v. State of Alaska
- vi. State of Arizona
- vii. State of California
- viii. State of Colorado
- ix. State of Connecticut
- x. State of Delaware
- xi. State of Indiana
- xii. State of Iowa
- xiii. State of Minnesota
- xiv. State of Nebraska
- xv. State of Nevada
- xvi. State of New Mexico
- xvii. State of North Dakota
- xviii. State of Oregon
- xix. State of Rhode Island
- xx. State of South Dakota
- xxi. State of Texas
- xxii. State of Utah
- xxiii. State of West Virginia
- xxiv. State of Wisconsin
- xxv. State of Wyoming

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

WHOLESALER: Cardinal Health 110, LLC and Cardinal Health 112, LLC

The Wholesaler certified that the appropriate person(s) have executed this Amendment on behalf of the Wholesaler as required and by applicable articles, bylaws, resolutions, or ordinances.

Name: Brad Cochran
Signature: [Signature]
Title: SVP, National Markets
Date: 10/31/19

STATE OF MINNESOTA FOR MMCAP INFUSE

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

Name: [Signature]
Signature: [Signature]
Date: Oct 31 2019

COMMISSIONER OF ADMINISTRATION

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

Name: Debra A.L. Burandt
Signature: [Signature]
Date: 10-31-2019

BOISE STATE UNIVERSITY

SUBJECT

Discontinue Master of Teaching in P-8 Special Education

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section III.G.

BACKGROUND/DISCUSSION

Boise State proposes the discontinuation of the Master in Teaching (MIT) in P-8 Special Education. This degree will be replaced by age/grade band options in the Special Education MIT, one of which will focus on P-8. This change is being proposed in order to better support students in understanding the options available to them and the focus of the programs. The intent of the discontinuation of the MIT P-8 Special Education and subsequent revision of the MIT Special Education is to reduce confusion among students in understanding the differences between two similarly named programs.

IMPACT

The discontinuation of the MIT P-8 Special Education program will have no impact on current students. Current students can still elect to graduate under the MIT P-8 Special Education degree program if they wish, or switch to the MIT Special Education. If a student elects to switch, it will not affect a student's course requirements, nor will it delay their graduation.

There are no financial impacts from the discontinuation of the MIT P-8 Special Education, as resources have transitioned to MIT Special Education.

ATTACHMENTS

Attachment 1 – Master of Teaching P-8 Special Education Discontinuation Proposal

STAFF COMMENTS AND RECOMMENDATIONS

Board Policy III.G.3.c.i (3) requires Board approval of any graduate program discontinuation regardless of fiscal impact, prior to implementation. The proposal completed the program review process and was presented to the Council on Academic Affairs and Programs on May 6, 2021, and to the Committee on Instruction, Research, and Student Affairs on June 1, 2021. Board staff recommends approval.

CONSENT
JUNE 16, 2021

BOARD ACTION

I move to approve the request by Boise State University to discontinue the Master of Teaching in P-8 Special Education.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

Institutional Tracking No. _____

Idaho State Board of Education

Proposal for Discontinuation


Date of Proposal Submission:	March 2021
Institution Submitting Proposal:	Boise State University
Name of College, School, or Division:	College of Education
Name of Department(s) or Area(s):	Department of Early and Special Education

Program Identification for Proposed Discontinued Program:



Title:	MIT in P-8 Special Education
Degree/Certificate:	Master in Teaching P-8 Special Education
Method of Delivery:	Online
CIP code:	13.1210
Proposed Discontinuation Date:	Fall 2021

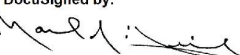

Indicate whether this request is a discontinuation of either of the following:

- | | |
|--|--|
| <input type="checkbox"/> Undergraduate Program | <input checked="" type="checkbox"/> Graduate Program |
| <input type="checkbox"/> Undergraduate Certificate | <input type="checkbox"/> Graduate Certificate |
| <input type="checkbox"/> Administrative/Instructional Unit | <input type="checkbox"/> Other |
| <input type="checkbox"/> CTE Program (check all that apply) | |
| <input type="checkbox"/> Basic Technical Certificate | |
| <input type="checkbox"/> Intermediate Technical Certificate | |
| <input type="checkbox"/> Advanced Technical Certificate | |
| <input type="checkbox"/> Associate of Applied Science Degree | |


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President			

1. Provide rationale for the discontinuance.

The Department of Early and Special Education is proposing to discontinue the Master in Teaching (MIT) in P-8 Special Education. This degree will be replaced by age/grade band options in the Special Education MIT, one which will focus on P-8. This change is being proposed in order to better support students in understanding the options available to them and the focus of the programs. When the MIT programs were originally created, the P-8 program was an Early Childhood Intervention program that led to a state teaching endorsement for Blended Early Childhood/Early Childhood Special Education from birth through grade 3. Last year the department submitted a curriculum change to change the title of that degree to P-8 Special Education as a result of the teaching endorsement that it aligned to changing. Now that the program emphasizes special education, the department has determined that it is somewhat confusing to students to have two separate degrees that focus on special education but with different grade bands. As a solution to this, the Special Education MIT will be modified to include grade band options.

2. Teach-out Plans/Options for currently enrolled students.

- a. Describe teach-out plans for continuing students. Indicate the year and semester in which the last cohort of students was admitted and the final term the college will offer the program.

The graduate faculty will work individually with students during the 2020-2021 academic year to counsel them on their options of graduating under the MIT in P-8 Special Education program or transitioning to the MIT in Special Education. This will include advising students on options for completing any outstanding degree requirements. Additionally, the program coordinator will identify and reach out to any other students who might have started course work, but who have not been active in their degree progress.

- b. Is there an alternative program/major or field of study? If so, please describe.

Yes, The Department of Early and Special Education is proposing to add age/grade-band options to the Special Education MIT program. These grade band options replace the need for two distinct MIT degrees in Early and Special Education. This change is being proposed in order to better support students in understanding the options available to them and the focus of the programs.

- c. How will continuing students be advised of impending changes and consulted about options or alternatives for attaining their educational goals?

The program coordinator will notify all existing students of the discontinuation of the program and offer one-on-one advising for remaining degree planning and advising.

3. Identify similar programs offered by other public colleges/universities (Not applicable to CTE programs).

Similar Programs offered by other Idaho institutions and by institutions in nearby states

Institution Name	Degree name and Level	Program Name and brief description if warranted
Boise State University	MIT P-8 Special Education	The Master in Teaching in P-8 Special Education is a fully online program that leads to 1) a master's degree, and 2) recommendation for certification for the Exceptional Child Generalist K-8 teaching certification plus an Early Childhood Special Education endorsement ages 3-5 years old.

Using the chart below, provide enrollments and numbers of graduates for similar existing programs at your institution and other Idaho public institutions.

MIT P-8 Special Education								
Institution and Program Name	Headcount Enrollment in Program				Number of Graduates From Program			
	Fall 2017	Fall 2018	Fall 2019	Fall 2020	FY2017	FY2018	FY2019	FY 2020
BSU P-8 Special Education	14	9	7	2	4	5	7	3

5. Describe the impact the discontinuance will have on (a) other programs and (b) the mission of the institution.

The discontinuance of the MIT in P-8 Special Education will have no impact on other programs or the mission of the institution.

6. Describe the potential faculty and staff reductions or reassignments that would result from the discontinuance.

No faculty and staff reductions or reassignments will occur as the discontinuation of the MIT in P-8 Special Education is a transition of the program into a new age/grade bands within the MIT in Special Education.

7. Fiscal Impact. Using the budget template provided, identify amount, if any, which would become available for redirection as a result of discontinuance.

None.

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I. PLANNED STUDENT ENROLLMENT									
	FY 2021		FY 2022		FY 2023		FY 2024		
	FTE	Headcount	FTE	Headcount	FTE	Headcount	FTE	Headcount	
A. New enrollments	0	0	0	0	0	0	0	0	0
B. Shifting enrollments	0	0	0	0	0	0	0	0	0
Total Enrollment	0	0	0	0	0	0	0	0	0
II. REVENUE									
	FY 2021		FY 2022		FY 2023		FY 2024		
	On-going	One-time	On-going	One-time	On-going	One-time	On-going	One-time	
1. New Appropriated Funding Reques	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2. Institution Funds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
3. Federal	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
4. New Tuition Revenues from Increased Enrollments	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5. Student Fees	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
6. Other (i.e., Gifts)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Ongoing is defined as ongoing operating budget for the program which will become part of the base.</i>									
<i>One-time is defined as one-time funding in a fiscal year and not part of the base.</i>									
III. EXPENDITURES									
	FY 2021		FY 2022		FY 2023		FY 2024		
	On-going	One-time	On-going	One-time	On-going	One-time	On-going	One-time	
A. Personnel Costs									
1. FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2. Faculty	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
3. Adjunct Faculty	0.0	0.0	0	0	0	0	0	0	0
4. Graduates/Undergrad Assistants	0.0	0.0	0	0	0	0	0	0	0
5. Research Personnel	0.0	0.0	0	0	0	0	0	0	0
6. Directors/Administrators	0.0	0.0	0	0	0	0	0	0	0
7. Administrative Support Personnel	0.0	0.0	0	0	0	0	0	0	0
8. Fringe Benefits	0.0	0.0	0	0	0	0	0	0	0
9. Other:	0.0	0.0	0	0	0	0	0	0	0
Total Personnel and Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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	FY 2021		FY 2022		FY 2023		FY 2024	
	On-going	One-time	On-going	One-time	On-going	One-time	On-going	One-time
B. Operating Expenditures								
1. Travel	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2. Professional Services	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
3. Other Services	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
4. Communications	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5. Materials and Supplies	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
6. Rentals	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
7. Materials & Goods for Manufacture & Resale	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
8. Miscellaneous	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Operating Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
C. Capital Outlay								
1. Library Resources	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2. Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
D. Capital Facilities Construction or Major Renovation								
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
E. Other Costs								
Utilities	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Maintenance & Repairs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Other Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Income (Deficit)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

CONSENT
JUNE 16, 2021

SUBJECT

General Education Matriculation (GEM) Committee Appointments

REFERENCE

October 2014	The Board approved the initial membership of the General Education Matriculation Committee.
June 2016	The Board appointed Jana McCurdy (CWI), Dr. Margaret Johnson (ISU), and Kenton Bird (UI) to the GEM Committee.
December 2016	The Board appointed Dr. Joanne Togle (ISU) and John Bieter (BSU) to the GEM Committee.
August 2017	The Board appointed Lori Barber, representing CEI, to the GEM Committee.
October 2017	The Board appointed Cher Hendricks, representing UI, to the GEM Committee.
April 2019	The Board appointed Dean Panttaja representing UI, and Whitney Smith-Schuler representing CSI to the GEM Committee.
June 2019	The Board appointed Greg Wilson representing CWI, replacing Jana McCurdy to the GEM Committee.
October 2019	The Board appointed Tiffany Seeley-Case representing CSI, replacing Whitney Smith-Schuler to the GEM Committee.
June 2020	The Board appointed Martin Gibbs representing LCSC, replacing Mary Flores to the GEM Committee.

APPLICABLE STATUTE, RULE, OR POLICY

Governing Policies and Procedures section III.N. General Education

BACKGROUND/DISCUSSION

Consistent with Board Policy III.N, the state General Education Matriculation Committee is responsible for reviewing the competencies and rubrics of the general education framework for each institution to ensure its alignment with the Association of American Colleges and Universities (AAC&U) Essential Learning Outcomes. Board Policy III.N also provides that faculty discipline groups have ongoing responsibilities for ensuring consistency and relevance of General Education competencies related to their discipline. The GEM Committee consists of a representative from each Idaho public postsecondary institution appointed by the Board; a representative from the Division of Career Technical Education, as an ex officio member; a representative from the Idaho Registrars Council; and the Executive Director or designee of the Office of the State Board of Education, who serves as chair to the committee.

Idaho State University (ISU) has forwarded the name of Dr. Cindy Hill for consideration to replace Dr. Joanne Togle who is returning to a faculty role at ISU.

CONSENT
JUNE 16, 2021

College of Eastern Idaho (CEI) has forwarded the name of Angela Sackett-Smith for consideration to officially replace Lori Barber who transitioned to the Vice President of Academic and Student Affairs position at CEI.

IMPACT

The proposed appointment replaces ISU's and CEI's representatives on the GEM Committee.

ATTACHMENTS

Attachment 1 – Current General Matriculation Education Committee – Current Membership

STAFF COMMENTS AND RECOMMENDATIONS

Dr. Cynthia D. Hill was appointed Interim Vice Provost for Academic Affairs at Idaho State University, effective June 28, 2021. Dr. Hill is a professor of economics and has taught within the General Education program for over two decades at ISU. She is the co-author of two economics textbooks for general education students. She has won numerous teaching and public service awards over her 24-year tenure at ISU, including the Carnegie Foundation for the Advancement of Teaching Idaho Professor of the Year. Over the past decade in particular, Dr. Hill has undertaken many administrative roles, including Assistant Vice President and Associate Vice President for Academic Affairs. She has a strong and continued commitment to General Education and the foundational role it plays in student success and educational advancement. Dr. Hill will fulfill the state GEM Committee responsibilities for Dr. Joanne Togle.

Dr. Angela Sackett-Smith is the Dean for General Education for the College of Eastern Idaho. This position was effective April 15, 2020. Prior to this permanent position, she was the Interim Dean of General Education for 8 months. In addition to her leadership positions, she taught courses such as Anatomy and Physiology (both one and two semester courses), Biology for Dental Assistants, and Microbiology courses for Eastern Idaho Technical College for five years. Dr. Sackett brings a real-world perspective to the classroom from over 25 years of practice as a Doctor of Chiropractic. Along her path in post-secondary education, Dr. Sackett has been involved in many different capacities with respect to General Education. She has served as an adjunct instructor, full-time instructor, Department Chair for Science and Math, and currently as the Dean for General Education. Her current position is a unique one that not many share. Dr. Sackett is leading and creating a new General Education Division at CEI. This experience has been challenging, rewarding, and one that she takes very seriously, because General Education courses are the foundation of credit transfer to other institutions. She has participated in State GEM Committee meetings in the past and enjoys the leadership opportunities that are provided. She has found this second career in post-secondary education to be one that has brought great joy and has challenged her in many ways.

CONSENT
JUNE 16, 2021

Board staff recommends approval.

BOARD ACTION

I move to appoint Cindy Hill, representing Idaho State University, to the General Education Matriculation Committee, effective immediately.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

AND

I move to appoint Angela Sackett-Smith, representing College of Eastern Idaho, to the General Education Matriculation Committee, effective immediately.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

**State Board of Education
General Education Committee**

Martin Gibbs is the Dean for Academic Programs at Lewis-Clark State College – Martin Gibbs was appointed in **June, 2020**

Larry Briggs is the Dean of General Studies at North Idaho College – Larry Briggs was appointed in **October, 2014**

Jana McCurdy is the General Education Coordinator at the College of Western Idaho – Jana McCurdy was appointed in **June, 2016**

John Bieter is the Director of the Foundational Studies Program at Boise State University – John Bieter was appointed in **December, 2016**

Cindy Hill is Interim Vice Provost for Academic Affairs at Idaho State University – Cindy Hill was appointed in **June, 2021**. (Pending Board Approval)

Angela Sackett-Smith is the Dean for General Education at College of Eastern Idaho – Angela Sackett-Smith was appointed in **June, 2021** (Pending Board Approval)

Dean Panttaja is the Director of General Education and the Vice Provost for Academic Initiatives Department at the University of Idaho – Dean Panttaja was appointed in **April, 2019**

Whitney Smith-Schuler is the Department Chair for General and Liberal Studies at the University of Idaho – Whitney Smith-Schuler was appointed in **April, 2019**

Adrian San Miguel is the Director of Program Standards at the Division of Career Technical Education, a representative from the Division of Career Technical Education, as an ex officio member.

Mandy Nelson is the Associate Registrar-Catalog and Evaluation Services/NCAA at Boise State University, a representative from the Idaho Registrars Council, as an ex officio member.

Jonathan Lashley is the Associate Chief Academic Officer at the Office of the State Board of Education, who serves as Chair of the Committee as the designee of the Executive Director.

CONSENT
JUNE 16, 2021

SUBJECT

Accountability Oversight Committee Appointment

REFERENCE

April 2010	Board approved second reading of Board Policy III.AA, creating the Accountability Oversight Committee.
April 2016	Board approved second reading of proposed amendments to Board Policy I.Q. adding a fifth at-large member with a background in special education.
October 2018	Board approved second reading of proposed amendments to Board Policy I.Q. adding two (2) members to the committee and further designating representation.
October 2018	Board approved appointment of Anne Ritter as an at-large member of the committee.
August 2020	Board approved reappointment of Julian Duffey, Rob Sauer, and Roger Stewart.
April 2021	Board approved reappointment of Laurie Copmann and Jodie Mills.

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section I.Q.
Accountability Oversight Committee

BACKGROUND/DISCUSSION

The Board's Accountability Oversight Committee (AOC) was established in April 2010 as an ad-hoc committee of the Idaho State Board of Education. The committee is charged with providing "recommendations to the Board on the effectiveness of the statewide student achievement system and make recommendations on improvements and/or changes as needed." Board Policy I.Q., Accountability Oversight Committee, outlines the membership and responsibilities of the committee. The committee consists of:

- i. Two Board members
- ii. The Superintendent of Public Instruction (or designee)
- iii. One member with special education experience
- iv. One member with experience serving in a school district with a focus on assessment and accountability
- v. One member with experience as a district superintendent
- vi. One member with experience as a school principal or charter school administrator
- vii. One person with experience working with student achievement assessments and data
- viii. Two members at-large

CONSENT
JUNE 16, 2021

The current term for at-large member John Goedde ends on June 30, 2021. As indicated to the Board in its April 2021 meeting materials, John Goedde will be complete his term, but is not seeking reappointment. To fill the upcoming vacancy, the AOC sought nominations from committee members and stakeholder groups. At their May 10, 2021 meeting, the committee reviewed resumes of three potential members. The resumes of all considered candidates are provided as Attachment 2 (Iris Chimburas) and Attachment 3 (other considered candidates).

Upon review of all candidates' resumes, the AOC voted to recommend Iris Chimburas to fill the at-large position on the committee that will be vacant beginning July 1, 2021. Iris was recommended by the Indian Education Committee and has over twenty years of experience as an educator. She is currently the Dean of Students for Lapwai School District in Lapwai, Idaho. As Dean of Students, Iris works directly with students, teachers, parents, administration, tribal elders, and the community to improve student outcomes through the development of a school culture focused on optimism, respect, safety, and success. Prior to moving into her current role in 2019, she spent twenty years as a teacher in the Lapwai School District. Iris has served on both the Indian Education Committee and Professional Standards Committee. Iris Chimburas has a Bachelor of Science in Elementary Education K-8 and Standard Exceptional Child Generalist K-12 from Lewis Clark State College, and a Master in Education from the University of Idaho. Her resume is included as Attachment 1.

IMPACT

Approval of appointment of Iris Chimburas will fill all seats on the Accountability Oversight Committee through June 30, 2023.

ATTACHMENTS

Attachment 1 – Current AOC Membership List
Attachment 2 – Iris Chimburas Resume
Attachment 3 – Resumes of Other Considered Candidates

STAFF COMMENTS AND RECOMMENDATIONS

Pursuant to Board Policy I.Q., terms run from July 1 through June 30 of the applicable year. In making appointments to the Accountability Oversight Committee, consideration should be given to the appointees' background, representative district / school size, and regional distribution. Staff recommends appointment of Iris Chimburas.

BOARD ACTION

I move to approve the appointment of Iris Chimburas to the Accountability Oversight Committee for a term of 2 years commencing July 1, 2021 and ending on June 30, 2023.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

ACCOUNTABILITY OVERSIGHT COMMITTEE
AUGUST 2020

State Board of Education Member Ex-Officio	State Board of Education Member Ex-Officio
Debbie Critchfield President State Board of Education	Kurt Liebich Member State Board of Education
Superintendent of Public Instruction or Designee Ex-Officio	Committee Chair, Student Achievement Assessment and Data Representative Term: July 1, 2020 - June 30, 2022
Peter McPherson Deputy Superintendent State Department of Education	Roger Stewart Professor, College of Education Boise State University
School District Assessment and Accountability Representative Term: July 1, 2019 - June 30, 2021	School District Superintendent Representative Term: July 1, 2020 - June 30, 2022
Jodie Mills Chief Academic Officer Caldwell School District #132	Rob Sauer Superintendent Homedale School District #370
School Level Administrator Representative Term: July 1, 2019 - June 30, 2021	Special Education Representative Term: July 1, 2020 - June 30, 2022
Laurie Copmann Assistant Principal Minico High School	Julian Duffey Special Education Director Bonneville Joint School District #93
Member At Large Term: July 1, 2019 - June 30, 2021	Member At Large Term: July 1, 2020 - June 30, 2022
John Goedde Former Idaho State Senator Former School Board Trustee, Coeur d'Alene District #271	Anne Ritter Board Member Meridian Medical Arts Charter School
Board Staff Support	
Alison Henken K-12 Accountability and Projects Program Manager Office of the State Board of Education alison.henken@osbe.idaho.gov 208-332-1579	

Iris Chimburas

ichimburas@lapwai.org (208) 790-2653

PROFESSIONAL DEVELOPMENT AND EFFECTIVE LEADERSHIP

- ▶ Fred Jones Positive Classroom Management
- ▶ Response to Intervention
- ▶ Restorative Justice
- ▶ Middle/High School Leadership Team
- ▶ Culturally Responsive Professional Learning Committee Facilitator
- ▶ Mathematical Thinking for Instruction
- ▶ Technology Certification
- ▶ 21st Century After-School
- ▶ GK-12 Math/Science
- ▶ Nez Perce State Tribal Education Partnership (STEP) Project
- ▶ Strong Leadership/Mentoring Teachers
- ▶ Culturally Restorative Practices
- ▶ Standard Based Lesson Planning
- ▶ Universal Design of Intervention
- ▶ Differentiated Instruction
- ▶ Effective Classroom Management
- ▶ Cooperative Learning Environment
- ▶ Performance Assessments
- ▶ Curriculum Alignment
- ▶ Parent-Teacher Communication
- ▶ Technology Integration

EDUCATION AND CREDENTIALS

**Bachelor of Science in Elementary Education K-8
Standard Exceptional Child Generalist K-12**
Lewis Clark State College
Lewiston, ID 1998

Master of Education in Special Education
University of Idaho
Moscow, Id 2005

Dean of Students
Lapwai Middle High School
Lapwai, ID 2019-Current

**State Department of Education
Indian Education Committee**
Boise, Id July 1, 2018-current

**State Board of Education Professional
Standards Commissions**
State Department of Education
Boise, ID July 1, 2018- June 30, 2021

**Lewis Clark State College Teacher Education
Advisory Board**
Lewis Clark State College
LCSC Lewiston, ID February 23, 2017-current

Certified Nursing Assistant
American Heart Association Basic Life Support
CPR and AED certified
State of Idaho Registry
Lewis Clark State College, March 2019-Current

LAPWAI SCHOOL DISTRICT
Dean of Students

2019-Present

The goal of Dean of Students is to work directly with students, teachers, parents, administration, elders, and community in establishing a Culture of Hope. It required many to rethink how we view teaching and learning. Instilling optimism in students from low-income families cannot be random or occasional; it demands a unified, sustained, school wide effort. A Culture of Hope School

approach challenges from an optimistic, positive perspective. School improvements comes only with attention to attitudes, values, visions, and expectations of the entire community. These qualities were instilled within our schools, students, teachers, and our community. Together we created a school atmosphere focused on optimism, respect, safety, and success.

This was achieved through:

- Behavior Intervention and Support, Protocol
- PBIS/ Intentional classroom management training/restructuring to a more Cultural Response to PBIS
- Restorative Justice Practices teacher mindset shift
- Social Emotional Support System
- Universal Design of Intervention Strategies and Consequences
- Response to Intervention/MTSS-Multi-Tiered System of Supports including Culturally Responsive Practices
- Culturally Responsive Practices and Policies,
- Community
- Empowerment Assemblies and creating student empowerment in all areas
- we transformed our policies to reflect a more cultural approach partnership for student support & success aligning our community and Elder supports within our school. Community Mentors for teachers
- Alternative Learning/Alternative Learning Environment
- Student Leadership

**LAPWAI SCHOOL DISTRICT
Certified Teacher**

1999-2019

PLANNING FOR INSTRUCTION

- Create rigorous, objective-driven lessons directly aligned with state standards.
- Established clear objectives for all lessons, units, and projects and communicate those objectives to students.
- Plans and conducts balanced program of instruction, demonstration, and work time that provides students with opportunities to observe, question, and investigate.
- Incorporate research-based best practices into everyday teaching strategies.

DELIVERY OF INSTRUCTION

- Provide many and varied opportunities for students to achieve mastery while working to promote achievement by all students without exception.
- Clearly states objective while modeling, demonstrating, and explaining new content.
- Engaging students in the lesson through integrating verbal, visual, and physical modalities of learning.

ASSESSMENT

- Measure student achievement and progress towards goals using the formative and summative assessments.
- Provide ongoing and timely feedback to students on their progress by frequently checking for understanding.
- Use data to reflect on effectiveness of lessons and student achievement progress in order to improve on instruction and personal teaching practices.

LEARNING ENVIRONMENT

- Create a focused environment of respect that encourages students to take risks and strive to reach goals.
- Communicate and enforce high expectations and standards for behavior and academic performance, aligned with Fred Jones Positive Classroom Discipline, to create a strong culture of achievement and respect.
- Implement classroom procedures, systems, and routines that provide structure for students and maximize instructional time.
- Interact with students instructionally (explaining, checking, giving feedback) while creating mobility throughout the classroom.

FAMILY AND COMMUNITY RELATIONS

- Communicate respectfully and thoughtfully with parent/guardians remaining sensitive to different families' cultures, values and needs.
- Work collaboratively with parents/guardians, families, and other members of the community to involve them in academic activities and to support the success of a diverse student population and to bring in volunteers and additional resources.



Jeffrey S. Gee

Address: 884 N. 1100 E. Shelley, ID 83274

Cell Phone: (208) 521-3793

Email: jeff.gee@ririe252.org

Education:

University of Idaho	2017-2020	Education Specialist in Educational Leadership
University of Phoenix	2005-2005	Master of Arts in Education Administration and Supervision
Idaho State University	1999-2002	Bachelor of Science in Secondary Education
Ricks College	1994-1995	
	1997-1999	Associated Degree in Arts and Sciences

Professional Work Experience:

Ririe Joint School District Superintendent/Jr High Principal	2019–Present
Manage the day to day operations of the school district.	
Firth School District Federal Programs Director	Firth School District
Complete and submit the Consolidate Federal and State Grant Application for the district	2015-2019
Monitor federal programs	
Attend yearly training meetings	
High School Principal	Firth School District
Manage finances	2007-2020
Supervise and evaluate teachers and staff	
Head of the strategic planning committee	
Student supervision and discipline	
Staff training and professional development	
Master scheduling grades 7-12	
Register students and oversee online classes	
Assist in developing district calendar	
Athletic Director	Firth School District
Scheduling athletics 7-12	2010-2014
Supervision and evaluation of coaches	
Science Teacher	Bonneville High School
Ensure safe and equitable environment	2002-2007
Plan, direct, and coordinate classroom lessons and activities	
Communicate material effectively to students	
Communicate with parents and stakeholders in a professional manner	

Skills and Accomplishments:

Partnered with CSI to established dual credit offerings for high school students
Established FLEX/mentoring program where every student is assigned to a teacher during their high school career
Sound fiscal management skills
Skilled and effective communicator
Leadership by example
Adaptability
Decision making
Self-motivated
Conflict resolution

Professional References:

Sharla Cook
Math Teacher and Girls Basketball Coach
Firth School District
208-589-8122

Sid Tubbs
Retired Superintendent
Firth School District
208-881-4606

Andy Grover
Executive Director
IASA
208-275-9634

Randy Martineau
High School Principal
Ririe School District
208-270-1328

Jessica Lanae James
1074 Teepee St., Pocatello, ID 83202
(208) 530-9403
jessicajamesclifford@gmail.com

Enrolled member of the Shoshone-Bannock Tribes of Fort Hall, Idaho/Affiliated tribes Pyramid Lake Paiute and Washoe Tribe

OBJECTIVE:

To obtain a Doctorate of Education in Leadership that would impact positive social and institutional change by partnering with business professionals to assist in improving the quality of education and employment for all Native American Indian/Alaskan Native and Hawaiian peoples.

EDUCATION:

Anticipated Graduation Date:	Doctorate of Education, Creighton University, Omaha, Nebraska
May 2023	Major: Interdisciplinary Leadership
August 2004-April 2008	Masters of Arts, University of Kansas, Lawrence, Kansas
	Major: Indigenous Nations Studies, Cultural Preservation
	Management and Indigenous Museum Studies
August 2000-May 2004	Bachelor of Arts, Haskell Indian Nations University, Lawrence, Kansas
	Major: American Indian Studies
August 2000-May 2003	Associate of Arts, Haskell Indian Nations University, Lawrence, Kansas,
	Major: Liberal Arts

EMPLOYMENT HISTORY:

May 2016-Present	Tribal Youth Education Program Manager, Fort Hall, ID
June 2015-Jan. 2016	Programs Director, Osni Ponca, Lincoln, NE
Aug. 2009-June 2015	Workforce Investment Act Director, <i>Indian Center, Inc.</i> , Lincoln, NE
Jul. 2009- Jan. 2016	Radio Programmer, <i>Sunrise Communications</i> , Lincoln, NE
May 2008-Aug. 2012	Youth Program Director/Coordinator, <i>Indian Center, Inc.</i> , Lincoln, NE
Oct. 2008-Dec. 2008	Circle of Care Mental Health Planner, <i>Indian Center, Inc.</i> , Lincoln, NE
Jan. 2008-June 2008	Sacred Buffalo Dance Group Manager, <i>Indian Center</i> , Lincoln, NE
May 2006-Jan. 2007	Graduate Student Admin. Asst., <i>The University of Kansas</i> , Lawrence, KS
June 2006-July 2006	Native American Graves Protection and Repatriation Act Graduate Student Intern, <i>The University of Kansas</i> , Lawrence, KS
Feb.2005-June 2005	Academic Coordinator, <i>Shoshone-Bannock High School</i> , Fort Hall, ID
Dec. 2004-Feb. 2005	Sub. English Teacher, <i>Shoshone-Bannock High School</i> , Fort Hall, ID
May 2003-Sept. 2004	Museum Assistant, <i>Haskell Cultural Center and Museum</i> , Lawrence, KS
Jan. 2001-May 2001	Telephone Sales Representative, <i>Affinitas</i> , Lawrence, KS
June 1999-Aug. 1999	Bureau of Indian Affairs Probate Worker, <i>Reality Office</i> , Fort Hall, ID
Sept. 1999-Jan. 2000	Tutor, <i>Shoshone-Bannock High School</i> , Fort Hall, ID
June 1997-Sept. 1997	Interim Administrative Secretary, <i>Tribal Health and Human Services</i> , Fort Hall, ID

BOARDS & COMMITTEES SERVED:

February 2020-Present	Ad-Hoc Tribal Community College Exploratory Committee , Fort Hall, ID
August 2018-Present	Shoshone-Bannock Tribes CDFI Development Board , Advisory Member, Fort Hall, ID
June 2019-Nov. 2019	Governor's Education Task Force's Rural and Underserved School Subcommittee , Member, Idaho Department of Education, Boise, ID
Jan. 2017-Present	Shoshone-Bannock Jr./Sr. High Advisory Board -Civics Curriculum Development, Member, Fort Hall, ID
Jun.2016-Present	Idaho State Indian Education Committee , Co-Chair (2017-2021) & Member (March 2021-Present) Boise, ID

May 2016-Present	Shoshone-Bannock Indian Education Taskforce -Chair, Fort Hall, ID
May 2016-Present	Fort Hall Youth Council -Advisor, Fort Hall, ID
Jan. 2012-Jun. 2012	National Congress of American Indian-Local Planning Committee , Co-Chairperson, <i>NCAI-MidYear Conference</i> , Lincoln, NE
Jul. 2010-June 2014	National Native American Employment and Training Council Board Member, <i>Secretary of Labor</i> , Washington D.C.
Dec. 2010-Dec. 2011	Great Plains Art Museum Board of Trustees -Board Member, <i>Great Plains Art Museum</i> , Lincoln, NE.
Aug. 2010-Aug. 2013	Southeast Nebraska Native American Coalition -Co-Chair, <i>Region V Systems</i> , Lincoln, NE
Oct. 2009-July 2015	Greater Lincoln Workforce Board - Member, Native American Partner, <i>Indian Center Inc.</i> Lincoln, NE.
Oct. 2009-July 2015	Greater Nebraska Workforce Board - Member, Native American Partner, <i>Indian Center Inc.</i> , Lincoln, NE
Sept. 2005-May 2007	Executive Committee-Graduate Student Representative Center for Indigenous Nations Studies, <i>University of Kansas</i> , Lawrence, KS
Sept.2005-May 2007	Curriculum Committee-Graduate Student Representative Center for Indigenous Nations Studies, <i>University of Kansas</i> , Lawrence, KS
Jan. 2006-April 2006	First Nations Student Association Pow-Wow Committee- Financial Advisor , <i>The University of Kansas</i> , Lawrence, KS
Feb. 2005-July 2005	Shoshone-Bannock Youth Council -Advisor/Mentor <i>Shoshone-Bannock Tribes</i> , Fort Hall, ID
Oct.2003-May 2004	Haskell Cultural Preservation Committee-Treasurer Office of the President, <i>Haskell Indian Nations University</i> , Lawrence, KS
Jan. 2004-Sept. 2004	Haskell's 120th Anniversary Committee-President Office of the President, <i>Haskell Indian Nations University</i> , Lawrence, KS

GRANT AWARDS:

May 2020-US Department of Education-Title VI Indian Formula Funding-Shoshone-Bannock Tribes \$103,542.00
 May 2019-US Department of Education-Title VI Indian Formula Funding-Shoshone-Bannock Tribes \$104,788.00
 May 2018-US Department of Education-Title VI Indian Formula Funding-Shoshone-Bannock Tribes \$112,266.00
 July 2018-University of Idaho-Regional Idaho Indian Ed. Summit-Shoshone-Bannock Tribes \$500.00
 July 2018-Idaho State University-Regional Idaho Indian Ed. Summit-Shoshone-Bannock Tribes \$2,800.00
 July 2018-Idaho National Laboratories-Regional Idaho Indian Ed. Summit-Shoshone-Bannock Tribes \$2,000.00
 July 2018-Idaho Department of Education-Regional Idaho Indian Ed. Summit-Shoshone-Bannock Tribes \$1,000.00
 July 2018-College of East Idaho-Regional Idaho Indian Ed. Summit-Shoshone-Bannock Tribes \$500.00
 July 2018-College of Southern Idaho-Regional Idaho Indian Ed. Summit-Shoshone-Bannock Tribes \$1,000.00
 May 2018- Idaho State Department of Justice-UNITY Mini Grant-Shoshone-Bannock Tribes \$5,000.00
 May 2017-Department of Education-Title VI Indian Formula Funding-Shoshone-Bannock Tribes \$115,000.00
 May 2016-Department of Education-Title VI Indian Formula Funding-Shoshone-Bannock Tribes \$69,452.00
 May 2015-United States Department of Labor-Indian Center, Inc. WIOA Program, \$228,578.00
 May 2014-United States Department of Labor-Indian Center, Inc. WIOA Program, \$229,732
 May 2013-United States Department of Labor-Indian Center, Inc. WIA Program, \$224,145.00
 Oct. 2013-Tide Foundation, Indigenous People's Fund-Indian Center, Inc. \$25,000.00
 May 2012-United States Department of Labor-Indian Center, Inc. WIA Program, \$235,918.00

May 2011-United States Department of Labor-Indian Center, Inc. WIA Program, \$264,991.00
Oct. 2011-Nebraska Arts Council/South East Nebraska Native American Coalition, Region V-\$8,470.00
April 2011-Gallop Foundation-\$1,000.00 (Principal Investigator)
July 2010-United Way Grant-\$8,000.00 (Principal Investigator)
May 2010-United States Department of Labor-Indian Center, Inc. WIA Program, \$261,692.00
July 2009-Department of Health and Human Services-\$34,304.00 (Principal Investigator)
June 2009-Lincoln Public Schools-\$7,000.00 (Principal Investigator)
June 2009-Tzo-Nah Foundation-\$13,000.00 (Principal Investigator)
Jan. 2009-Department of Health and Human Services, Office of Minority Health-\$10,800.00
July 2008-Grants to American Indians in Nebraska (G.A.I.N.) Grant-\$1,000.00 (Principal Investigator)
June 2008-Woods Foundation Grant-\$20,000.00 (Principal Investigator)
May 2008-Building Stronger Families Foundation Grant-\$10,000.00 (Principal Investigator)
May 2008-Joint Budget Committee Grant-\$4,925.00 (Principal Investigator)

CONSENT
JUNE 16, 2021

IDAHO DIVISION OF VOCATIONAL REHABILITATION

SUBJECT

Idaho State Rehabilitation Council Membership (Council) Membership

REFERENCE

December 2016	Board appointed Robert Atkins to the Council as a representative for business/industry and labor for a term of three years.
April 2017	Board appointed two new members to the Council and re-appointed three current members to the Council.
June 2017	Board appointed Joe Anderson to the Council for a three-year term.
April 2018	Board appointed two current members to the Council and one new member.
June 2018	Board appointed two members to the Council.
August 2018	Board appointed one new member and re-appointed a former member to the Council.
June 2019	Board appointed three new members to the Council.
August 2019	Board appointed one new member to the Council.
October 2019	Board appointed one new member to the Council.
April 2020	Board appointed one new member and re-appointed two members to the Council.
June 2020	Board appointed four new members and re-appointed one member to the Council.
October 2020	Board appointed two new members to the Council.

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies and Procedures, Section IV.G.

Code of Federal Regulations 34 CFR § 361

BACKGROUND/DISCUSSION

Code of Federal Regulations (34 CFR § 361.17), sets out the requirements for the State Rehabilitation Council, including the appointment and composition of State Rehabilitation Councils. The regulations require members of state councils to be appointed by the Governor or, in the case of a state that, under State law, vests authority for the administration to an entity other than the Governor, the chief officer of that entity. Section 33-2303, Idaho Code, designates the State Board for Career Technical Education as that entity.

Further federal regulations require the state Council to be composed of at least fifteen (15) members, including:

CONSENT
JUNE 16, 2021

- i. At least one representative of the Statewide Independent Living Council, who must be the chairperson or other designee of the Statewide Independent Living Council;
- ii. At least one representative of a parent training and information center established pursuant to section 682(a) of the Individuals with Disabilities Education Act;
- iii. At least one representative of the Client Assistance Program established under 34 CFR part 370, who must be the director, or another individual recommended by the Client Assistance Program;
- iv. At least one qualified vocational rehabilitation counselor with knowledge of, and experience with vocational rehabilitation programs who serves as an ex officio, non-voting member of the Council if employed by the designated State agency;
- v. At least one representative of community rehabilitation program service providers;
- vi. Four representatives of business, industry, and labor;
- vii. Representatives of disability groups that include a cross section of (A) Individuals with physical, cognitive, sensory, and mental disabilities; and (B) Representatives of individuals with disabilities who have difficulty representing themselves or are unable due to their disabilities to represent themselves;
- viii. Current or former applicants for, or recipients of, vocational rehabilitation services;
- ix. In a State in which one or more projects are carried out under section 121 of the Act (American Indian Vocational Rehabilitation Services), at least one representative of the directors of the projects;
- x. At least one representative of the State educational agency responsible for the public education of students with disabilities who are eligible to receive services under this part and part B of the Individuals with Disabilities Education Act;
- xi. At least one representative of the State workforce investment board; and
- xii. The director of the designated State unit as an ex officio, nonvoting member of the Council.

Additionally, Federal Regulations specify that a majority of the council members must be individuals with disabilities who meet the requirements of 34 CFR § 361.5(b)(28) and are not employed by the designated State unit. Members are appointed for a term of no more than three (3) years, and each member of the Council may serve for not more than two consecutive full terms. A member appointed to fill a vacancy occurring prior to the end of the term must be appointed for the remainder of the predecessor's term. A vacancy in membership of the Council must be filled in the same manner as the original appointment, except the appointing authority may delegate the authority to fill that vacancy to the remaining members of the Council after making the original appointment.

The Council currently has one (1) appointment and four (4) re-appointments for

CONSENT
JUNE 16, 2021

Board consideration. The Council is nominating James Pegram as a representative of the Workforce Development Council. The council would like to renew Sara Tueller's term as the representative of the Parent Training and Information Center; Pam Harris' term as the representative of the Community Rehabilitation Program; Darin Lindig as a representative of Business, Industry and Labor; and David White's term as the Vocational Rehabilitation Counselor representative.

IMPACT

The one (1) appointment and four (4) re-appointments will bring the Council membership to 17.

ATTACHMENTS

Attachment 1 – Current Council Membership

Attachment 2 – James Pegram Nomination with Resume

STAFF COMMENTS AND RECOMMENDATIONS

The requested appointment meets the provisions of Board policy IV.G. State Rehabilitation Council, and the applicable Federal regulations.

Staff recommends approval

BOARD ACTION

I move to approve the appointment of James Pegram as a representative of the Workforce Development Council and re-appoint Sarah Tueller of Parent Training and Information Center, Pam Harris of Community Rehabilitation Program, Darin Lindig of Business, Industry and Labor, and David White as the Vocational Rehabilitation Counselor representative for three-year terms, effective immediately through June 30, 2024.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

CONSENT
JUNE 16, 2021

Members Shall Represent	Representation Required	Name	Term Ends
Former Applicant or Recipient of VR services	Minimum 1	Danielle Reff	08/31/2023
Parent Training & Information Center	Minimum 1	Sarah Tueller	06/30/2021
Client Assistant Program	Minimum 1	Christine Meeuwsen	Term Limits Do Not Apply
Vocational Rehabilitation Counselor	Minimum 1	David White	06/30/2021
Community Rehabilitation Program	Minimum 1	Pam Harris	06/30/2021
Business, Industry and Labor	Minimum 4	Lynn Jorgensen	08/31/2023
		Darin Lindig	05/31/2021
		Ron Oberleitner	08/31/2023
		Paul Tierney	08/31/2023
Disability Groups	No minimum or maximum	Janice Carson	05/31/2023
		Vacant	
		Dave Maxwell	06/30/2022
		Nathan Ogden	08/31/2023
State Independent Living Council	Minimum 1	Mel Leviton	09/30/2021
Department of Education	Minimum 1	Randi Cole	08/31/2023
Director of Vocational Rehabilitation	Minimum 1	Jane Donnellan	Term Limits Do Not Apply
Idaho's Native American Tribes	Minimum 1	Ramona Medicine Horse	Term Limits Do Not Apply
Workforce Development Council	Minimum 1	Vacant	



STATE REHABILITATION COUNCIL NOMINATION FORM

Nominee's Name: James Pegram
Mailing Address: 1886 North Highway Way
Home/Cell Phone: 208 863-1540 Work Phone: 208 780 8227
E-Mail: _____

Please explain why you would like to serve on the State Rehabilitation Council

Would like to be an advocate in the employer community to meet employer needs with a qualified committed, loyal, and underemployed group of potential employees.

What Boards, Commissions, Councils, or Task Forces, etc., have you previously, or currently served on?

Name: Idaho Development Council Term Date: currently serving
Name: _____ Term Date: _____
Name: _____ Term Date: _____
Name: _____ Term Date: _____

How many hours per month would you be able to commit to State Rehabilitation Council activities?

☒ 1 to 3 hours ☐ 4 to 6 hours ☐ 7 to 9 hours ☐ 10 or more hours

Possibly more on occasion

CFR 361.17(c)(1) Requires a majority of the Council members be individuals with disabilities. While your disclosure is voluntary, it would be a benefit to the Council in determining membership compliance.

Disability

☐ Yes ☒ No

RETURN TO:

IDAHO STATE REHABILITATION COUNCIL
ATTN: Membership Chair
650 West State Street, Room 150
P.O. Box 83720
Boise, Idaho 83720-0096

Pegram, James

James.pegram@simplot.com • 1886 North Highbury Way, Eagle ID 83616 •
208.863.1540

Education

1990 West Virginia University M.S. in Industrial and Labor Relations

1983 West Virginia University B.S. in Engineering of Mines

Experience

J. R. Simplot Company - Senior Vice President HR January 2017 – current

Contributing member of Simplot Leadership Team with a primary focus to succeed in achieving or exceeding our Company Goals. Influence a One Simplot company culture consistent with these objectives and continue the transformation throughout the global organization. Specifically responsible for Global organization issues including, HR, Safety and Security Leadership, labor and employee relations strategy development and implementation, talent management, management leadership programs, Diversity Equity and Inclusion initiatives, Total Rewards and succession planning.

J. R. Simplot Company - Senior Director of HR – North America Food Group January 2011 – January 2017

Contributing member of Food Group Leadership Team with a primary focus to succeed in achieving or exceeding satisfactory ROIC. Strategically drive the organizational design and development of NAFG in order to support and achieve increased growth and cash flow within a systemic environment. . Responsible to coach and assist managers and leaders on applying company policies and procedures, provide guidance on legal issues related to HR, coordinate with managers and corporate service providers to ensure effective administration of HR related programs, analyze HR data as needed to support Group management in making organizational decisions. Lead role in creating and implementing a leadership culture throughout the Food Group. Provide direction and alignment to strategies as needed for all Food Group plant operations.

J.R. Simplot Company - Director of Compensation and Benefits – June 2007 – January 2011

Responsible for domestic Benefits Program Design and budget (Medical, Dental, Vision, Life, Long Term Disability, Accidental Death and Dismemberment, Wellness, 401(k) Savings and Retirement), Base pay and both Short and Long Term Incentive programs.

1991 – June 2007 UCAR Carbon Company Inc., a GrafTech International Ltd. Company,
Clarksburg, WV & Parma, OH

Career spanned 17 years in various operations and HR roles for UCAR/GrafTech while the Company went through difficult financial times and cultural changes as publicly traded, privately owned (Blackstone Group), Joint Venture, then publicly traded again.

Director Corporate Human Resources, Shared Services – Senior HR position at GrafTech (1.2 Billion dollar manufacturing Company). Resigned to join J.R. Simplot Company.

Directed the domestic and international corporate HR functions in the areas of diversity, executive compensation, compensation, stock option administration, benefit plan administration, expatriate administration, employee data management and human resources communications. Directed the HR shared services center activities for the U.S. providing centralized administration including payroll, worldwide communications, government compliance, vendor relations, relocation, performance management and immigration. Responsible for labor relations and collective bargaining for the domestic locations. Participated as a member of the Corporate Throughput Council. Served as Secretary of the Administrative Committees for the Defined Benefit Pension Plan, Defined Contribution Savings and Retirement Plan, and the Non-Qualified Benefit Plans in the U.S. Served as a Trustee for the Company's Defined Benefit Plan in the United Kingdom.

Machine Shop & Purification Manager (August 1998 – January 2002) - Operations Role – P&L responsibility for their 120 employee machine shop with \$70MM in sales. Had direct responsibility for safety, production and on time delivery. Customer focus was a significant part of the role.

May 1983 – February 1990 Consolidation Coal Company

First Line Supervisory roles -all underground coal mine work. Led crews of 7 to 12 hourly employees on both conventional and continuous miner sections and supervised on a longwall operation for 5 of the 7 years. Daily interactions with MSHA inspectors.

Project Engineer – (May 1979 – May 1983 summers only) Completed time and motion studies, drill bit studies, and coal processing plant process engineering work.

Competencies

Business Acumen	Strategic Agility	Decision Quality	Drive for Results
Dealing w. Ambiguity	Motivating Others	Innovation Management	Negotiating
Managerial Courage	Sizing Up People	Safety Programs	

Certifications

Lean Six Sigma December 2013

Pensions Knowledge Basic Course – UK, May 2006

Certified Employee Benefit Specialist, November 2004

RPA Retirement Plans Associate, July 2004

Certificate in Global Benefits Management, May 2004

GBA Group Benefits Associate, June 2003

Lominger Talent Management & Succession Planning May 2000

CONSENT
JUNE 16, 2021

SUBJECT

Idaho Indian Education Committee Appointments

REFERENCE

June 15, 2017	The Board approved the reappointments of Sharee Anderson and Yolanda Bisbee.
August 10, 2017	The Board approved the appointment of Jason Ostrowski.
October 19, 2017	The Board approved the appointment of Marcus Coby, Tina Strong, and Graydon Stanley.
December 21, 2017	The Board approved the appointment of Gary Aitken.
April 19, 2018	The Board approved the appointment of Ladd Edmo and reappointment of Pete Putra, Hank McArthur, Bill Picard, Joyce McFarland, Jim Anderson, and Jason Ostrowski.
June 20, 2019	The Board approved the appointment of Leslie Webb, Jaime Barajas-Zepeda, and Effie Hernandez.
February 13, 2020	The Board approved the appointment of Jesse LaSarte.
April 16, 2020	The Board approved the appointment of Dr. Rex Force.
August 26, 2020	The Board approved the appointment of Dr. Mary Jane Miles.
April 2021	The Board approved reappointments for Mr. Sobotta, Dr. Force, Ms. James, Dr. Meyer, and Mr. LaSarte.

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section I.P.

BACKGROUND/DISCUSSION

The Idaho Indian Education Committee serves as an advisory committee to the State Board of Education (Board) and the State Department of Education (Department) on educational issues and how they impact Idaho's American Indian student population. The committee also serves as a link between Idaho's American Indian tribes. Pursuant to Board Policy I.P. the Idaho Indian Education Committee consists of 19 members appointed by the Board. Each member serves a term of five years. Appointments to vacant positions during a previous incumbent's term are filled for the remainder of the open term. The membership consists of:

- One representative from each of the eight public postsecondary institutions
- One representative from each of the five tribal chairs or designee
- One representative from each of the five tribal education affiliations (K-12)
- One representative from each of the two Bureau of Indian Education schools
- One representative from the State Board of Education, as an ex-officio member

Ms. Tina Strong is superintendent for the Coeur d'Alene Tribal School and serves as one of the Bureau of Indian Education representatives on the committee. She

CONSENT
JUNE 16, 2021

has served on the Indian Education Committee as the tribal school's representative since 2016. Ms. Strong's term is scheduled to expire June 30, 2021 and has expressed interest in continuing her service on the committee.

IMPACT

If approved, term for Ms. Strong will commence July 1, 2021 and run through June 30, 2026.

ATTACHMENTS

Attachment 1 – Current Committee Membership

BOARD STAFF COMMENTS AND RECOMMENDATIONS

Board staff recommends approval.

BOARD ACTION

I move to reappoint Ms. Tina Strong, representing Coeur d'Alene Tribal School to the Indian Education Committee effective July 1, 2021 and expiring June 30, 2026.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

State Board of Education
Idaho Indian Education Committee

Tribal Representatives

Dr. Chris Meyer is the Director of Education for the Coeur d'Alene Tribal Education Department and serves as the Tribal Chairperson's designee for the Coeur d'Alene Tribe. Term: July 1, 2021 – June 30, 2026.

Jesse LaSarte is the Family Engagement Specialist for the Coeur d'Alene Tribe and serves as their Tribal Education Department representative. Term: July 1, 2021 – June 30, 2026.

Gary Aitken, Jr is the Tribal Chairman for the Kootenai Tribe of Idaho and serves as their Tribal Chair representative. Term: immediately – June 30, 2022.

VACANT – Tribal Education Department representative for the Kootenai Tribe.

To be determined - Nez Perce Tribal Executive committee representative and serves as the Tribal Chairperson's designee. Term: July 1, 2018 – June 30, 2023.

Joyce McFarland is the Education Manager for the Nez Perce Tribe and serves as their Tribal Education Department representative. Term: July 1, 2018 – June 30, 2023.

Ladd Edmo is the Tribal Secretary of the Fort Hall Business Council and serves as their Tribal Chairperson representative. Term: immediately - June 30, 2022.

Jessica James is the Tribal Youth Education Program Manager for the Shoshone-Bannock Tribes and serves as their Tribal Education Department representative. Term: July 1, 2021 – June 30, 2026.

VACANT - Tribal Chairperson's designee for the Shoshone-Paiute Tribes. Term: July 1, 2018 – June 30, 2023.

VACANT – Tribal Education Department representative for the Shoshone-Paiute Tribes.

Bureau of Indian Education Representatives

Tina Strong is the Bureau of Indian Education school representative. Term: July 1, 2021 – June 30, 2026. **Pending Board approval.**

Hank McArthur is the Bureau of Indian Education school representative. Term: July 1, 2018 – June 30, 2023.

State Board of Education Ex-Officio Representative

Dr. Linda Clark is the Ex-Officio State Board of Education member of the Indian Education Committee.

Institutions of Higher Education Representatives

To be determined - Vice President for Student Affairs and Enrollment Management at Boise State University. Term: immediately – June 30, 2023.

Dr. Rex Force is the Senior Vice Provost and Vice President for Health Sciences at Idaho State University. Term: July 1, 2021 – June 30, 2026.

Dr. Yolanda Bisbee is the Chief Diversity Officer and Executive Director of Tribal Relations at the University of Idaho. Term: July 1, 2017 – June 30, 2022.

Bob Sobotta, Jr. is the Director for Native American, Minority, and Veteran's Services at Lewis-Clark State College. Term: July 1, 2021 – June 30, 2026.

Jason Ostrowski is the Dean of Students at the College of Southern Idaho. Term: July 1, 2018 - June 30, 2023.

Jaime Barajas-Zepeda is the Assistant Director of Admissions and Recruitment at the College of Western Idaho. Term: immediately - June 30, 2024.

Effie Hernandez is the Multicultural Coordinator at College of Eastern Idaho. Term: immediately – June 30, 2022.

Dr. Graydon Stanley is the Vice President for Student Services at North Idaho College (NIC). Term: July 1, 2017 – June 30, 2022.

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SUBJECT

Safety Busing - Requests for approval to transport students less than one and one half miles for the 2020-2021 school year

REFERENCE

June 2018	Board approved the request for 98 school districts and 13 charter schools to transport students less than one and one-half miles for the 2017-2018 school year.
June 2019	Board approved the request for 97 school districts and 17 charter schools to transport students less than one and one-half miles for the 2018-2019 school year.

APPLICABLE STATUTE, RULE, OR POLICY

Section 33-1006, Idaho Code
Section 33-1502, Idaho Code

BACKGROUND/DISCUSSION

Pursuant to Section 33-1006, Idaho Code, "The state board of education shall determine what costs of transporting pupils, including maintenance, operation and depreciation of basic vehicles, insurance, payments under contract with other public transportation providers whose vehicles used to transport pupils comply with federal transit administration regulations, "bus testing," 49 CFR part 665, and any revision thereto, as provided in subsection (4)(d) of this section, or other state department of education approved private transportation providers, salaries of drivers, and any other costs, shall be allowable in computing the transportation support program of school districts."

The transportation support program of a school district shall be based upon the allowable costs of transporting pupils less than one and one-half (1½) miles as provided in Section 33-1501, Idaho Code, when approved by the State Board of Education.

The *Standards for Idaho School Buses and Operations* states, "All school districts submitting applications for new safety busing reimbursement approval shall establish a board policy for evaluating and rating all safety busing requests. The State Department of Education staff shall develop and maintain a measuring instrument model, which shall include an element for validating contacts with responsible organizations or persons responsible for improving or minimizing hazardous conditions. Each applying district will be required to annually affirm that conditions of all prior approved safety busing requests are unchanged.

The local board of trustees shall annually, by official action (33-1502, Idaho Code), approve all new safety busing locations. School districts that receive state reimbursement of costs associated with safety busing will re-evaluate all safety busing sites at intervals of at least every three years using the local board adopted measuring or scoring instrument. In order to qualify for reimbursement the local

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school board will, by official action, approve the initial safety-busing request and allow the students in question to be transported before the application is sent to the state. Consideration for reimbursement is contingent on the application being received by the State Department of Education Transportation Section on or before March 1 of the school year in which the safety busing began.”

All requests are submitted on the Safety Busing form found in the Idaho Bus Utilization System (IBUS) Portal. Reminders are emailed to all districts and charter schools prior to March 1. All requests recommended for approval are compliant with Section 33-1006, Idaho Code.

Ninety-three (93) school districts and twenty-one (21) charter schools affecting 22,303 students applied for safety busing using the correct form and are being recommended for approval.

IMPACT

The approval of LEA's with safety-based students listed in Attachment 1 allows LEA's to be reimbursed for routes that meet the safety busing requirements. Board inaction or denial of the safety bus waivers would result in a loss of funding for the LEA's in question.

ATTACHMENTS

Attachment 1 – Safety Busing LEA List

BOARD STAFF COMMENTS AND RECOMMENDATIONS

Section 33-1006, Idaho Code, allows for the reimbursement of cost to transport students 1.5 miles or more from the school and pupils less than 1.5 miles as provided in Section 33-1501, Idaho Code, when approved by the State Board of Education. State Department of Education staff annually review school district requests and forward those meeting the requirements for safety busing to the Board for consideration. Staff recommends approval.

BOARD ACTION

I move to approve the requests by ninety-three (93) school districts and twenty-one (21) charter schools for approval to transport students less than one and one-half miles as submitted in Attachment 1.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

Safety Busing Rider Count Report 2020-2021

Cambridge Joint District	0
Meadows Valley District	0
Middleton District	0
Camas County District	1
Liberty Charter School, Inc.	2
Salmon River Joint School District	2
Bruneau-Grand View Joint School District	3
Kendrick Joint District	3
Victory Charter School, Inc.	4
Culdesac Joint District	5
Future Public School, Inc.	6
Kootenai District	6
Legacy Public Charter School, Inc.	8
West Jefferson District	8
Basin School District	10
North Gem District	11
Gem Prep: Meridian, Llc	12
Melba Joint District	12
North Star Charter School, Inc.	12
Midvale District	13
South Lemhi District	13
Gem Prep: Nampa, Llc	15
Falcon Ridge Public Charter School, Inc.	17
Genesee Joint District	17
Idaho Science And Technology Charter School, Inc.	17
Swan Valley Elementary District	17
Boundary County District	18
Cascade District	19
Challis Joint District	19
Kamiah Joint District	20
Vision Charter School, Inc.	20
Xavier Charter School, Inc.	20
Castleford District	21
Project Impact Stem Academy, Inc.	21
Orofino Joint District	26
Richfield District	26
Clark County District	27
Teton County District	28
Garden Valley District	31
Potlatch District	31
Thomas Jefferson Charter School, Inc.	32
Moscow District	35
North Valley Academy, Inc.	35
Horseshoe Bend School District	36
Kellogg Joint District	36
Bliss Joint District	37
Cottonwood Joint District	38
Hansen District	40
Rockland District	42
Idaho Arts Charter School, Inc.	43
Treasure Valley Classical Academy, Inc.	43

Sugar-Salem Joint District	48
Butte County Joint District	49
Marsh Valley Joint District	49
Firth District	50
St Maries Joint District	51
Fruitland District	53
New Plymouth District	53
West Bonner County District	55
Elevate Academy Inc.	56
Compass Public Charter School, Inc.	57
Lapwai District	57
Wendell District	64
Shoshone Joint District	66
Plummer-Worley Joint District	69
Heritage Academy, Inc.	70
Hagerman Joint District	71
Marsing Joint District	72
Salmon District	79
Heritage Community Charter School, Inc.	81
Mountain View School District	81
Troy School District	81
Aberdeen District	85
Mackay Joint District	88
Murtaugh Joint District	96
Wilder District	97
Idaho Stem Academy, Inc.	100
Wallace District	100
Oneida County District	102
Parma District	111
Emmett Independent District	114
Notus District	117
Kimberly District	129
Glenns Ferry Joint District	144
Post Falls District	150
Lake Pend Oreille School District	154
Snake River District	167
Fremont County Joint District	170
American Falls Joint District	203
Mountain Home District	217
Preston Joint District	218
Caldwell District	227
Shelley Joint District	249
Bear Lake County District	259
Kuna Joint District	276
Soda Springs Joint District	284
Coeur D'alene District	301
Ririe Joint District	324
Homedale Joint District	339
Weiser District	343
Gooding Joint District	354
Jerome Joint District	362
Madison District	365
Lakeland District	378
Payette Joint District	417

Cassia County Joint District	486
Minidoka County Joint District	560
Blackfoot District	595
Mccall-Donnelly Joint School District	685
Idaho Falls District	739
Jefferson County Joint District	755
West Side Joint District	802
Joint School District No. 2	857
Vallivue School District	936
Blaine County District	1025
Pocatello District	1120
Boise Independent District	1256
Nampa School District	1730
Bonneville Joint District	4361

25217

CONSENT
JUNE 16, 2021

SUBJECT

Request for Waiver of 103% Student Transportation Funding Cap

REFERENCE

June 2017	Board approved the request for six (6) school districts to receive a funding cap waiver
June 2018	Board approved the request for eight (8) districts to receive a funding cap waiver
June 2019	Board approved the request for nine (9) school districts to receive a funding cap waiver
April 2020	Board approved the request for eight (8) school districts to receive a funding cap waiver

APPLICABLE STATUTE, RULE, OR POLICY

Section 33-1006, Idaho Code

BACKGROUND/DISCUSSION

During its 2001 session, the Idaho Legislature amended Section 33-1006, Idaho Code. The amendment created a student transportation funding cap, affecting school districts that exceed by 103% the statewide average cost per mile and cost per rider. The 2007 and 2009 Legislatures further amended this language to provide clear, objective criteria that defines when a district may qualify to be reimbursed for expenses above the cap, and by how much. These criteria designate certain bus runs as “hardship” runs, and allow the district to receive a higher cap based on the percentage of the district’s bus runs that are so categorized.

As of March 6, 2021, 36 school districts and/or charter schools were negatively affected by the pupil transportation funding cap:

District #	District Name	Reduction in Funding
011	MEADOWS VALLEY DISTRICT	\$114,992
013	COUNCIL DISTRICT	\$ 4,115
044	PLUMMER-WORLEY JOINT DISTRICT	\$12,441
058	ABERDEEN DISTRICT	\$6,715
061	BLAINE COUNTY DISTRICT	\$98,497
071	GARDEN VALLEY DISTRICT	\$33,596
084	LAKE PEND OREILLE DISTRICT	\$57,516
134	MIDDLETON DISTRICT	\$131,262
137	PARMA DISTRICT	\$2,859
149	NORTH GEM DISTRICT	\$9,371
171	OROFINO JOINT DISTRICT	\$11,358
192	GLENNS FERRY DISTRICT	\$18,157

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233	HAGERMAN JOINT DISTRICT	\$5,695
244	MOUNTAIN VIEW SCHOOL DISTRICT	\$18,114
274	KOOTENAI DISTRICT	\$10,294
281	MOSCOW DISTRICT	\$124,968
282	GENESEE JOINT DISTRICT	\$33,811
291	SALMON DISTRICT	\$3,562
305	HIGHLAND JOINT DISTRICT	\$16,101
340	LEWISTON INDEPENDENT DISTRICT	\$32,624
341	LAPWAI DISTRICT	\$36,840
391	KELLOGG JOINT DISTRICT	\$38,664
392	MULLAN DISTRICT	\$2,835
393	WALLACE DISTRICT	\$18,744
401	TETON COUNTY DISTRICT	\$48,779
412	BUHL JOINT DISTRICT	\$2,376
421	MCCALL-DONNELLY JT. SCHOOL DISTRICT	\$37,097
451	VICTORY CHARTER SCHOOL	\$2,674
454	ROLLING HILLS CHARTER SCHOOL	\$17,445
478	LAGACY CHARTER SCHOOL DISTRICT	\$877
498	GEM PREP: MERIDIAN, INC.	\$34,517
499	FUTURE PUBLIC SCHOOL, INC.	\$14,669
511	PEACE VALLEY CHARTER SCHOOL, INC.	\$11,952
513	PROJECT IMPACT STEM ACADEMY, INC.	\$16,883
532	TREASURE VALLEY CLASSICAL ACADEMY, INC.	\$28,148
796	GEM PREP: NAMPA, INC.	\$24,493

The State Department of Education received requests from various school districts and charter schools for a waiver of the 103% funding cap as provided in Section 33-1006, Idaho Code. Student Transportation staff reviewed these requests to ensure they meet the eligibility criteria. Of the 36 districts and charter schools negatively affected by the pupil transportation funding cap, only fourteen districts have routes meeting the statutory requirements of a hardship bus run, which would allow the Board to grant a waiver. All fourteen of these districts, listed below, have applied for a waiver from the student transportation funding cap.

#044 Plummer Worley School District submitted school bus routes that met the required criteria. This represents 16.67% of the bus runs operated by the district. When added to the 103% funding cap, as provided by law, this would allow the Board to increase their funding cap to a maximum of 119.67%.

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#071 Garden Valley School District submitted school bus routes that met the required criteria. This represents 25% of the bus runs operated by the district. When added to the 103% funding cap, as provided by law, this would allow the Board to increase their funding cap to a maximum of 128%.

#171 Orofino School District submitted school bus routes that met the required criteria. This represents 30.56% of the bus runs operated by the district. When added to the 103% funding cap, as provided by law, this would allow the Board to increase their funding cap to a maximum of 133.56%.

#274 Kootenai School District submitted school bus routes that met the required criteria. This represents 87.50% of the bus runs operated by the district. When added to the 103% funding cap, as provided by law, this would allow the Board to increase their funding cap to a maximum of 190.50%.

#281 Moscow School District submitted school bus routes that met the required criteria. This represents 13.33% of the bus runs operated by the district. When added to the 103% funding cap, as provided by law, this would allow the Board to increase their funding cap to a maximum of 116.33%.

#305 Highland School District submitted school bus routes that met the required criteria. This represents 20% of the bus runs operated by the district. When added to the 103% funding cap, as provided by law, this would allow the Board to increase their funding cap to a maximum of 123%.

#341 Lapwai School District submitted school bus routes that met the required criteria. This represents 80% of the bus runs operated by the district. When added to the 103% funding cap, as provided by law, this would allow the Board to increase their funding cap to a maximum of 183%.

#412 Buhl School District submitted school bus routes that met the required criteria. This represents 14.29% of the bus runs operated by the district. When added to the 103% funding cap, as provided by law, this would allow the Board to increase their funding cap to a maximum of 117.29%.

#282 Genesee Joint School District submitted school bus routes that met the required criteria. This represents 50.0% of the bus runs operated by the district. When added to the 103% funding cap, as provided by law, this would allow the Board to increase their funding cap to a maximum of 153.00%.

#84 Lake Pend Oreille School District submitted school bus routes that met the required criteria. This represents 4.23% of the bus runs operated by the district. When added to the 103% funding cap, as provided by law, this would allow the Board to increase their funding cap to a maximum of 107.23%.

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#61 Blaine County School District submitted school bus routes that met the required criteria. This represents 2.44% of the bus runs operated by the district. When added to the 103% funding cap, as provided by law, this would allow the Board to increase their funding cap to a maximum of 105.44%.

#244 Mountain View School District submitted school bus routes that met the required criteria. This represents 60% of the bus runs operated by the district. When added to the 103% funding cap, as provided by law, this would allow the Board to increase their funding cap to a maximum of 163.00%.

#340 Lewiston Independent School District submitted school bus routes that met the required criteria. This represents 16.36% of the bus runs operated by the district. When added to the 103% funding cap, as provided by law, this would allow the Board to increase their funding cap to a maximum of 119.36%.

#401 Teton County School District submitted school bus routes that met the required criteria. This represents 13.89% of the bus runs operated by the district. When added to the 103% funding cap, as provided by law, this would allow the Board to increase their funding cap to a maximum of 116.89%.

IMPACT

The approval of the cap waivers listed below allows districts to be reimbursed for routes that meet the hardship criteria. Board inaction or denial of the funding cap waivers would result in a loss of funding for the school districts in question.

ATTACHMENTS

Attachment 1 – Funding Cap Waiver Spreadsheet

BOARD STAFF COMMENTS AND RECOMMENDATIONS

At the April 2020 Board meeting the Board approved a waiver of the funding cap for Plummer-Worley School District, Garden Valley School District, Orofino School District, Kootenai School District, Moscow School District, Lapwai School District, Highland School District and Buhl School District. Of the 14 requests the Board is considering this year, eight school districts also had waivers of the funding cap approved in 2020. Genesee Joint School District, Lake Pend Oreille School District, Blaine County School District, Mountain View School District, Lewiston School District, and Teton County School District are new for 2021.

Pursuant to Section 33-1006, Idaho Code:

“A school district may appeal the application of the one hundred three percent (103%) limit on reimbursable costs to the state board of education, which may establish for that district a new percentile limit for reimbursable costs compared to the statewide average, which is higher than one hundred three percent (103%). In doing so, the state board of education may set a new limit that is greater than one hundred three percent (103%), but is less than the percentile limit requested by the school district. However, the

CONSENT
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percentage increase in the one hundred three percent (103%) cap shall not exceed the percentage of the district's bus runs that qualify as a hardship bus run, pursuant to this subsection. Any costs above the new level established by the state board of education shall not be reimbursed. Such a change shall only be granted by the state board of education for hardship bus runs. To qualify as a hardship bus run, such bus run shall meet at least two (2) of the following criteria:

- (a) The number of student riders per mile is less than fifty percent (50%) of the statewide average number of student riders per mile;
- (b) Less than a majority of the miles on the bus run are by paved surface, concrete or asphalt road;
- (c) Over ten percent (10%) of the miles driven on the bus run are a five percent (5%) slope or greater.

The Department of Education transportation staff review each of the applications prior to submittal for Board consideration. Only those school districts that have met the statutory requirements may be considered for approval.

BOARD ACTION

I move to approve the request by #044 Plummer-Worley School District for a waiver of the 103% transportation funding cap, at a new cap percentage rate for the fiscal year 2020 of 119.67%, for a total of \$12,441 in additional funds from the public-school appropriation.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

I move to approve the request by #071 Garden Valley School District for a waiver of the 103% transportation funding cap, at a new cap percentage rate for the fiscal year 2020 of 128%, for a total of \$33,596 in additional funds from the public-school appropriation.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

I move to approve the request by #171 Orofino County School District for a waiver of the 103% transportation funding cap, at a new cap percentage rate for the fiscal year 2020 of 133%, for a total of \$11,358 in additional funds from the public-school appropriation.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

CONSENT
JUNE 16, 2021

I move to approve the request by #274 Kootenai School District for a waiver of the 103% transportation funding cap, at a new cap percentage rate for the fiscal year 2020 of 190.5%, for a total of \$10,294 in additional funds from the public-school appropriation.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

I move to approve the request by #281 Moscow School District for a waiver of the 103% transportation funding cap, at a new cap percentage rate for the fiscal year 2020 of 116.35%, for a total of \$124,968 in additional funds from the public-school appropriation.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

I move to approve the request by #305 Highland Joint District for a waiver of the 103% transportation funding cap, at a new cap percentage rate for the fiscal year 2020 of 123%, for a total of \$16,101 in additional funds from the public-school appropriation.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

I move to approve the request by #341 Lapwai School District for a waiver of the 103% transportation funding cap, at a new cap percentage rate for the fiscal year 2020 of 183%, for a total of \$36,840 in additional funds from the public-school appropriation.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

I move to approve the request by #412 Buhl Joint District for a waiver of the 103% transportation funding cap, at a new cap percentage rate for the fiscal year 2020 of 117.29%, for a total of \$2,376 in additional funds from the public-school appropriation.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

I move to approve the request by #282 Genesee Joint District for a waiver of the 103% transportation funding cap, at a new cap percentage rate for the fiscal year

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2020 of 153%, for a total of \$33,811 in additional funds from the public-school appropriation.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

I move to approve the request by #84 Lake Pend Oreille District for a waiver of the 103% transportation funding cap, at a new cap percentage rate for the fiscal year 2020 of 107.23%, for a total of \$57,516 in additional funds from the public-school appropriation.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

I move to approve the request by #61 Blaine County District for a waiver of the 103% transportation funding cap, at a new cap percentage rate for the fiscal year 2020 of 105.44%, for a total of \$98,497 in additional funds from the public-school appropriation.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

I move to approve the request by #244 Mountain View District for a waiver of the 103% transportation funding cap, at a new cap percentage rate for the fiscal year 2020 of 163%, for a total of \$18,114 in additional funds from the public-school appropriation.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

I move to approve the request by #340 Lewiston Independent District for a waiver of the 103% transportation funding cap, at a new cap percentage rate for the fiscal year 2020 of 119.38%, for a total of \$32,624 in additional funds from the public-school appropriation.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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I move to approve the request by #401Teton County District for a waiver of the 103% transportation funding cap, at a new cap percentage rate for the fiscal year 2020 of 116.89%, for a total of \$48,779 in additional funds from the public-school appropriation.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

Pupil Transportation Funding Formula Capped at Legislatively Mandated Percent of State Average Cost Per Mile and Cost Per Rider				
Fiscal Year 2019-2020 Data - Approved Costs Reimbursed in Fiscal Year 2020-2021 (Seventeenth Capped Year)				
Set percentage cap to apply to statewide average	103%	Riders per Mile	2.1	
Revised:	04/19/2021 - 2nd draft			
		Cost Per Mile	Cost Per Rider	
Statewide Averages before cap		\$5.35	\$954	
Statewide Averages after cap		\$5.51	\$983	
Total Savings From Cap		\$983,041	Capped Reimb.	Actual Reimb.
Savings Following Appeals & State Board Action		\$983,041	\$86,383,263	\$87,366,304

Dist #	District Name	District Funding Capped - Reimbursement Reduced By:	Percent of Reimbursement Loss Subsequent to Cap Impact (See Columns X & Y)	Total 100% Reimbursable Costs Eligible at 50%	Total 100% Reimbursable Costs Eligible at 85%	Total 100% Reimbursable Costs	Funding Cap Penalty Waived	% Hardship Bus Run Waived	Final Payment Amount with \$7.5 Million Proportional Move to Discretionary Funding (IC 33-1006 (8))
011	MEADOWS VALLEY DISTRICT	\$14,992	30.3%	\$0	\$0	\$80,849			\$51,871
013	COUNCIL DISTRICT	\$4,115	6.2%	\$46,314	\$50,490	\$96,804			\$74,579
044	PLUMMER-WORLEY JOINT DISTRICT	\$12,441	6.3%	\$226,266	\$98,935	\$325,201			\$246,260
058	ABERDEEN DISTRICT	\$6,715	2.8%	\$176,364	\$176,451	\$352,815			\$275,648
061	BLAINE COUNTY DISTRICT	\$98,497	13.4%	\$837,808	\$370,980	\$1,208,788			\$886,051
071	GARDEN VALLEY DISTRICT	\$33,596	22.5%	\$0	\$0	\$244,377			\$169,239
084	LAKE PEND OREILLE SCHOOL DISTRICT	\$57,516	4.6%	\$1,467,227	\$609,194	\$2,076,421			\$1,412,448
134	MIDDLETON DISTRICT	\$131,262	14.8%	\$0	\$0	\$1,446,356			\$1,029,717
137	PARMA DISTRICT	\$2,859	1.0%	\$317,010	\$166,932	\$483,942			\$381,675
149	NORTH GEM DISTRICT	\$9,371	12.7%	\$32,043	\$68,207	\$100,250			\$72,824
171	OROFINO JOINT DISTRICT	\$11,358	2.8%	\$418,740	\$231,202	\$649,942			\$509,055
192	GLENNS FERRY JOINT DISTRICT	\$18,157	9.6%	\$126,077	\$147,203	\$273,280			\$195,529
233	HAGERMAN JOINT DISTRICT	\$5,695	8.8%	\$0	\$0	\$105,489			\$73,237
244	MOUNTAIN VIEW SCHOOL DISTRICT	\$18,114	2.8%	\$494,304	\$477,562	\$971,866			\$752,022
274	KOOTENAI DISTRICT	\$10,294	8.6%	\$106,577	\$77,792	\$184,369			\$130,427
281	MOSCOW DISTRICT	\$124,968	24.7%	\$483,151	\$310,687	\$793,838			\$478,392
282	GENESEE JOINT DISTRICT	\$33,811	24.1%	\$118,808	\$94,835	\$213,643			\$130,443
291	SALMON DISTRICT	\$3,562	1.9%	\$168,992	\$122,059	\$291,051			\$203,545
305	HIGHLAND JOINT DISTRICT	\$16,101	10.4%	\$0	\$0	\$253,151			\$182,972
340	LEWISTON INDEPENDENT DISTRICT	\$32,624	3.7%	\$1,095,733	\$386,869	\$1,482,602			\$1,069,331
341	LAPWAI DISTRICT	\$36,840	24.0%	\$158,135	\$87,486	\$245,621			\$142,191
391	KELLOGG JOINT DISTRICT	\$38,664	8.0%	\$515,135	\$265,319	\$780,454			\$542,975
392	MULLAN DISTRICT	\$2,835	8.8%	\$17,388	\$27,552	\$44,940			\$31,370
393	WALLACE DISTRICT	\$18,744	11.2%	\$196,417	\$82,151	\$278,568			\$202,155
401	TETON COUNTY DISTRICT	\$48,779	9.6%	\$539,439	\$282,775	\$822,214			\$583,508
412	BUHL JOINT DISTRICT	\$2,376	0.9%	\$0	\$0	\$409,141			\$299,491
421	MCCALL-DONNELLY JT. SCHOOL DISTRICT	\$37,097	8.0%	\$0	\$0	\$761,469			\$596,443
451	VICTORY CHARTER SCHOOL	\$2,674	2.8%	\$0	\$0	\$155,061			\$99,182
454	ROLLING HILLS CHARTER SCHOOL	\$17,445	60.2%	\$49,050	\$5,223	\$54,273			\$10,683
478	LEGACY CHARTER SCHOOL DISTRICT	\$877	1.9%	\$0	\$0	\$75,804			\$71,909
498	GEM PREP: MERIDIAN, LLC	\$34,517	28.4%	\$0	\$0	\$198,785			\$120,857
499	FUTURE PUBLIC SCHOOL, INC.	\$14,669	27.5%	\$0	\$0	\$87,313			\$39,720
511	PEACE VALLEY CHARTER SCHOOL, INC.	\$11,952	23.1%	\$0	\$0	\$84,459			\$16,881
513	PROJECT IMPACT STEM ACADEMY, INC.	\$16,883	19.5%	\$0	\$0	\$141,572			\$57,497
532	TREASURE VALLEY CLASSICAL ACADEMY,	\$28,148	18.9%	\$169,544	\$75,481	\$245,025			\$116,291
796	GEM PREP: NAMPA, LLC	\$24,493	21.9%	\$0	\$0	\$182,816			\$82,258
Totals		\$983,041		\$37,338,149	\$17,527,272	\$100,461,136			\$77,934,069

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PROFESSIONAL STANDARDS COMMISSION

SUBJECT

Emergency Provisional Certificates Recommendations

REFERENCE

June 2020	Board approved two (2) provisional certificates for the 2019-20 school year.
August 2020	Board approved one (1) provisional certificates for the 2020-21 school year.
December 2020	Board reviewed fifteen (15) provisional certificates for the 2020-21 school year. Fourteen (14) applications were approved and one (1) application was not approved.
February 2021	Board approved fifty-two (52) provisional certificates for the 2020-21 school year.
April 2021	Board approved thirteen (13) provisional certificates for the 2020-221 school year.

APPLICABLE STATUTE, RULE, OR POLICY

Idaho Code §§ 33-1201 and 33-1203

BACKGROUND/DISCUSSION

Six (6) emergency provisional applications were received by the State Department of Education by March 18, 2021 from the school districts listed below. These applications were reviewed by the Professional Standards Commission Authorizations Committee on April 8, 2021. Due to timelines for State Board of Education agenda items to be submitted to the Office of the State Board of Education, the earliest regularly scheduled Board Meeting for consideration is the June 2021 meeting. Emergency provisional applications allow a district/charter to request one-year emergency certification for a candidate who does not hold a current Idaho certificate/ credential, but who has the strong content background and some educational pedagogy, to fill an area of need that requires certification/endorsement. While the candidate is under emergency provisional certification, no financial penalties will be assessed to the hiring district. Historical Provisional status has been added to candidates that have received provisional approvals in prior years, as there is nothing in rule that prohibits multiple provisionals.

Another Choice Charter School #476

Applicant Name: Abigail Abell

Content & Grade Range: English 6-12

Degree: 161 credits

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Declared Emergency: March 17, 2021 Another Choice Charter School Board of Directors declared an emergency exists for the 2020-21 school year. According to the application, Ms. Abell was hired January 4, 2021.

Summary of Recruitment Efforts: There were two applicants and two interviews. The charter school had an overload of new students this year. They have been looking for an English teacher and Ms. Abell was a December graduate in English from NNU. They feel she will do an excellent job working with our students.

PSC Review: The Professional Standards Commission Authorizations Committee met April 8, 2021. The committee recommends Another Choice Charter School's request for Abigail Abell without reservation.

Caldwell School District #132

Applicant Name: Megan Osterhout

Content & Grade Range: All Subjects K-8

Degree: BA, Interdisciplinary Studies/Elementary Precert, 5/2020

Declared Emergency: March 8, 2021 Caldwell School District Board of Trustees declared an emergency exists for the 2020-21 school year. According to the application, Ms. Osterhout was hired March 8, 2021.

Summary of Recruitment Efforts: There was one applicant and one interview. Students returning to in-person learning will create larger class sizes for first grade, adding this position to finish the school year.

PSC Review: The Professional Standards Commission Authorizations Committee met April 8, 2021. The committee recommends Caldwell School District's request for Megan Osterhout without reservation.

Cambridge School District #432

Applicant Name: Katrina Steele

Content & Grade Range: All Subjects K-8

Degree: 70 credits. According to the application, Ms. Steele was hired January 5, 2021.

Declared Emergency: November 16, 2021 Cambridge School District Board of Trustees declared an emergency exists for the 2020-21 school year. According to the application, Ms. Steele was hired January 5, 2021.

Summary of Recruitment Efforts: There were three applicants and two interviews. The Cambridge School District experienced an influx of new students to the district. The Covid-19 pandemic made having combination classrooms detrimental to student and staff health. By hiring a second grade teacher, the elementary school was able to operate with no combination classrooms with fewer students in each classroom. The position was posted on the Cambridge School District website, in the local newspaper, and on IASA EdJobs Idaho website.

PSC Review: The Professional Standards Commission Authorizations Committee met April 8, 2021. The committee recommends Cambridge School District's request for Katrina Steele without reservation.

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Canyon-Owyhee School Service Agency #555

Applicant Name: Samantha Paffile

Content & Grade Range: CTE OS – Emergency Medical Technician 6-12

Degree: EMT – Basic with CEU's since 8/2019.

Declared Emergency: February 1, 2021 Canyon-Owyhee School District Service Agency Board of Trustees declared an emergency exists for the 2020-21 school year. According to the application, Ms. Paffile was hired January 4, 2021.

Summary of Recruitment Efforts: There was one applicant and one interview. In January the school lost our EMT instructor. She had a family emergency before the holidays, requested an unpaid leave of absence, which the Board granted, and then after the holidays submitted her resignation, which the Board also granted due to the extreme nature of her emergency. The Board immediately opened the EMT position and started advertising, but have only had one individual apply who is EMT Basic certified. They are currently using this person as long-term substitute.

PSC Review: The Professional Standards Commission Authorizations Committee met April 8, 2021. The committee recommends Canyon-Owyhee School Service Agency's request for Samantha Paffile without reservation.

Lewiston Independent School District #340

Applicant Name: Anastasia Kibby

Content & Grade Range: School Counselor K-12

Degree: MA, Social Work, 3/2020

Declared Emergency: March 8, 2021 Lewiston Independent School District Board of Trustees declared an emergency exists for the 2020-21 school year. According to the application, Ms. Kibby was hired March 1, 2021.

Summary of Recruitment Efforts: There were six applicant and two interviews. The elementary school counselor tendered her letter of resignation mid-year, which resulted in an unexpected vacancy. The district posted the vacancy announcement to refill the positions through January 28, 2021. During that time, the school advertised the position in the Lewiston Morning Tribune; the ad was placed both on-line and in print (3 Sunday editions). They also advertised regionally with School Spring - Idaho Education Jobs and nationally with Indeed for 30 days. The advertising efforts generated six candidates, none of whom held the required certificate or endorsement. Based upon qualifications, interviews and referencing, the candidate selected for the position was the most qualified candidate in the pool.

PSC Review: The Professional Standards Commission Authorizations Committee met April 8, 2021. The committee recommends Lewiston Independent School District's request for Anastasia Kibby without reservation.

St. Maries Joint School District #41

Applicant Name: James Broyles

Content & Grade Range: CTE OS – Orientation Health Occupations 6-12

Degree: BS, Nursing, 5/1973

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Declared Emergency: February 8, 2021 St. Maries School District Board of Trustees declared an emergency exists for the 2020-21 school year. According to the application, Mr. Broyles was hired February 8, 2021.

Summary of Recruitment Efforts: There was one applicant and one interview. Mr. Broyles has received multiple Provisional approvals. Because the school was unable to find a teacher to teach Anatomy and Physiology for Health Professions in the summer of 2020, the school offered the course using an online format. Students were unsuccessful in that format. The school needs a face-to-face option and were pleased when Mr. Broyles agreed to come back for one more semester.

PSC Review: The Professional Standards Commission Authorizations Committee met April 8, 2021. The Authorization Committee is not recommending approval of the application for Mr. Broyles due to the lack of effort to complete requirements for certification since 2011, however, there is nothing in Sections 33-1201 and 33-1203, Idaho Code, that prohibits the approval of annual applications. He does meet the requirements for the Emergency Provisional application. Since students were taking online options for the same courses, it is recommended that in the future, the district change courses offered or encourage Mr. Broyles to proctor the online course.

IMPACT

If an emergency provisional certificate is not approved, the school district will have no certificated staff to serve in the position as required by Section 33-1201, Idaho Code and funding could be impacted.

STAFF COMMENTS AND RECOMMENDATIONS

Pursuant to Section 33-1201, Idaho Code, "every person who is employed to serve in any elementary or secondary school in the capacity of teacher, supervisor, administrator, education specialist, school nurse or school librarian shall be required to have and to hold a certificate issued under the authority of the State Board of Education...." Section 33-1203, Idaho Code, prohibits the Board from authorizing standard certificates to individuals who have less than four (4) years accredited college training, except in "the limited fields of trades and industries, and specialists certificates of school librarians and school nurses." In the case of emergencies, which must be declared, "the state board may authorize the issuance of provisional certificates based on not less than two (2) years of college training."

Section 33-512(15), Idaho Code, defines substitute teachers as "as any individual who temporarily replaces a certificated classroom educator...." Neither Idaho Code, nor administrative rule, limits the amount of time a substitute teacher may be employed to cover a classroom. In some cases, school districts use a long-term substitute prior to requesting provisional certification for the individual. In some cases, the individual that the school district is requesting emergency certification for has been in the classroom as a long-term substitute for the entire term. Salary Based Apportionment is calculated based on school district employee certification. A school district or charter school receives a lesser apportionment for non-

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certificated/classified staff than it receives for certificated staff. Substitute teachers are calculated at the lesser-classified staff rate.

A process for approving provisional certificates was approved by the Board at the April 2019 Regular Board meeting to limit the timeline for Emergency Provisions Certificated to come to the Board. The approved provisions required requests, for the current school year, to come to the Board at no later than the April Regular Board meeting. The process was amended at the August 2019 Regular Board meeting to provide an extension of this timeframe "subject to extenuating circumstances" such as when an LEA loses a staff member after the January Commission meeting deadline. In order to meet the April Board meeting agenda material deadline in March of each year the certification request is required to be submitted in January to make it through the Commission/Department process. Based on the information provided, these requests do not meet the standard for approval after the April Regular Board meeting.

BOARD ACTION

I move to accept the recommendation of the Professional Standards Commission to issue one-year emergency provisional certificates for Abigail Abell, Megan Osterhout, Katrina Steele, Samantha Paffile, and Anastasia Kibby to teach the content area and grade ranges at the specified school districts as provided herein for the 2020-21 school year.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

I move to accept the recommendation of the Professional Standards Commission to deny the one-year emergency provisional certificates for James Broyles to teach the content area and grade ranges at the specified school district as provided herein for the 2020-21 school year.

Moved by _____ Seconded by _____ Carried Yes _____ No _____