

COMMONWEALTH OF VIRGINIA
DIVISION OF PURCHASES AND SUPPLY
1111 E. BROAD STREET, 6th Floor
P. O. BOX 1199
RICHMOND, VIRGINIA 23218-1199

CONTRACT RENEWAL

- 1. DATE May 17, 2006
- 2. COMMODITY NAME Bandages, Catheters, Etc.
- 3. CONTRACT NUMBER4750901-60 (Optional Use)
- 4. CONTRACT PERIODApril 1, 2004 through March 31, 2007
- 5. SUPERSEDES..... Contract – MMCAP #M-487(5)
Replaces Contract 4750901-50
- 6. AUTHORIZED USERS State Agencies
- 7. CONTRACTOR(S) FEIN NUMBER..... 41-1261653
- 8. CONTRACTOR McKesson Medical - Surgical
8121 Tenth Avenue North
Golden Valley, MN 55427
- 9. CONTRACTOR(S) PHONE NUMBER(800) 328-8111 x6133 (Phone)
(800) 237-9766 (FAX)
E-Mail: GovernmentSales@McKesson.com
- 10. TERMS..... Net 30
- 11. DELIVERY 3 Days ARO
- 12. F.O.B..... Agency
- 13. MINIMUM ORDER..... None
- 14. FOR FURTHER CONTRACT INFORMATION CONTACT: Tina M. Mizelle, VCO
Phone (804) 786-1603 /FAX (804) 786-5413
- 15. ADDITIONAL COPIES OF CONTRACTS AND ANY ASSOCIATED CONTRACT CHANGES MAY BE VIEWED AND PRINTED AT THE DPS WEBSITE: www.eva.state.va.us/dps.
- 16. If any commodity available under this contract cannot be used by a State Agency, a request to purchase other goods or services of a similar nature shall be submitted to the DGS/DPS contract officer for approval. A complete and factual written justification is necessary to support the request. Refer to Section 13.7a of the Agency Procurement and Surplus Property Manual.
- 17. **Note:** This public body does not discriminate against faith-based organizations in accordance with the *Code of Virginia*, § 2.2-4343.1 or against a bidder or offeror because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment.

Tina M. Mizelle

By: _____
Statewide Commodity Contract Officer

INSTRUCTIONS

1. **ORDERS:**
 - A. Unless otherwise instructed by the Division of Purchases and Supply, all departments, institutions and agencies of the Commonwealth of Virginia will order items/services through eVA.
 - B. If this contract is authorized for use by localities, Virginia cities, counties, towns and political subdivisions, orders will be placed through eVA to the maximum extent possible.
2. The applicable contract number, federal employer identification number (FEI), and item number (for itemized contracts) must be shown on each purchase order and copy, each facsimile transmission or given verbally when telephonic orders are placed.
3. Inspection on delivery and approval of vendor's invoice is the responsibility of receiving state agency, Virginia city, county, town or political subdivision.
4. Any complaint as to quality, faulty or delinquent delivery, or violation of contract provisions by contractor shall be reported to the Division of Purchases and Supply for handling with the contractor. Preprinted forms (DGS-41-024), by which to facilitate the notification of the contractor and this office of complaints, are available from the Division of Purchases and Supply (786-8873).
5. **Renewals.** One (1), one year renewal remains. The decision as to whether to exercise the next renewal option will be made by the contract officer approximately four to six months in advance of the expiration date of the current term.
6. **Excluded Products:**
 1. All Gloves – Latex/Vinyl
 2. Briefs (Incontinent Care)
 3. Syringes/Needles
 4. Wheelchairs
7. **State Agency Contract Use.** This Contract must be used by State agencies unless a specific exception is granted by the Acquisition Management Specialist listed above.
8. **Ordering Instructions:** Orders are to be placed directly with the Contract Vendor. Minnesota State agencies should use a contract release order (CRO) or a blanket purchase order (BPC). The person ordering should include his or her name and phone number. CPV and MMCAP members should use their own ordering procedures. MMCAP members are to contact the local customer service number in their area.

SPECIAL TERMS AND CONDITIONS

1. **PRICES:** Prices are firm through the first year. After that period, prices may increase once a year. Price increases are not effective until they are approved by the AMS. **NOTE:** At no time should the ordering entity pay more than the Contract price. Agencies must contact the AMS Immediately and fill out a Vendor Performance Report if there is a discrepancy between the price on the invoice and the Contract price.

2. DELIVERY: Same day if ordered by 10:30 a.m. within 100 miles of a distribution facility, otherwise next day.
3. PRODUCT SUBSTITUTION: Distributor will not in any way cause, condone or encourage the purchase substitution of an MMCAP facility-ordered product without the approval of the ordering MMCAP facility.
4. CUSTOMER SERVICE: Distributor has a customer service department at a toll-free number available to all MMCAP facilities for stock checks, product, or general information requests.
5. DEFAULT OF VENDOR: If an MMCAP facility has an immediate need for a product that distributor is unable to supply, the facility may buy an identical product on the open market. If the inability to supply exceeds 10 working days and is the fault of distributor, the MMCAP facility will deduct any excess cost resulting from an open market purchase as a credit from distributor's invoice. Note: It is distributor's responsibility to demonstrate that a backorder is the fault of the manufacturer and not distributor. Distributor may substitute with the MMCAP facility's permission.
6. UNIFORMITY OF OFFER: The Contract is not a limitation of distributor's ability to offer special discounts for periodic high-volume and equipment purchases.
7. PURCHASE ORDER NUMBER ASSIGNMENT: Ordering systems will allow for the input of an individual purchase order number, assigned by the MMCAP facility, for each order submitted.
8. TOLL-FREE ORDER TRANSMISSION: Distributor will provide toll-free order transmission service to all MMCAP facilities.
9. ADDITIONAL SERVICES: Distributor will make all services and products not mentioned in the RFP that are available to general customers, available to all MMCAP facilities.
10. DELIVERY REFUSALS: Distributor will at no time refuse to deliver to any MMCAP facility without notification to the MMCAP Office.
11. SPECIAL HANDLING: Distributor will provide all legally required documentation and special handling/packaging for transport of hazardous materials from Distributor to the using MMCAP facility.
12. DELIVERY SITES: Distributor will deliver to a single mutually agreeable site at each MMCAP facility. Upon the majority agreement of the MMCAP facility, MMCAP Office, and Distributor additional delivery sites may be added at an MMCAP facility.
13. CONTRACT CHANGES: Distributor can not make changes to the Contract with regard to price, manufacturer, or product without written approval from the MMCAP Office. Distributor will enter MMCAP Contract changes (additions, deletions, price changes, etc.) into the ordering system software of all distribution centers within 10 business days of the receipt of the MMCAP documents listing the products changes.
14. REMOVAL OF PRODUCTS: Distributor will not remove any MMCAP product from its ordering system without notifying the MMCAP Office in writing and receiving MMCAP approval in writing.
15. MAINTENANCE SERVICE LEVEL: Excluded from the service level calculations are items backordered or otherwise unavailable from the manufacturer, items not normally stocked by the responsible distribution center, partially filled lines (greater than 50 percent of the quantity ordered) which are reordered and completely filled within two days, and documented order-filling errors. Distributor will supply maintenance service level information upon the request of the MMCAP Office or MMCAP facilities.

16. ADMINISTRATIVE FEE CREDIT: Distributor will pay an administrative fee on all purchases (minus any credits) by MMCAP facilities. Distributor will submit a summary of all business transacted quarterly under the Contract, along with a check payable to the State of Minnesota Cooperative Purchasing Venture Revolving Fund for an amount equal to 0.5 percent of MMCAP total invoices sales to the MMCAP office. The administrative fee will be paid within 45 days after the end of each quarter.
17. MANUFACTURER CONTRACTS: MMCAP reserved the right to negotiate or contract with manufacturers to establish pricing for products. In the event this occurs, Distributor will supply the products to MMCAP facilities and the final acquisition cost will be no greater than the established MMCAP manufacturer negotiated or contracted price, plus the Distributor contracted service fee.

FEES/PRICING

1. SERVICE FEE: A single service fee will be added to all items delivered by Distributors.

The service fee for PSS is 8.9 percent.

The service fee for McKesson is 5 percent.
2. PRODUCTS: Distributors will provide products at the prices established, plus Distributor's service fee. Price changes will be sent to State Contacts and posted on the MMCAP as they occur. These prices will fluctuate with MMCAP updates as defined. The list of products may change to accommodate the needs of MMCAP facilities. (See attached product list which includes all service fees).
3. GENERAL DISCOUNT: Distributors have provided a discount for all manufacturers. For all manufacturers not listed in the contract file the general discount is 5 percent for PSS and 10% for McKesson off MSRP (See manufacturer discount list). The service fee is included in all discounts offered. (Updated annually for catalog year).
4. SERVICE/PARTS: PSS has provided a list of all other available services (e.g., equipment repair and calibration, JACHO, continuing education credits, product training, etc.) The hourly rate for labor is \$95.00; the discount for parts is 10%.
5. BARCODE: SmartScan Bar codes to be used with www.MyPSS.com is available at the following charge: \$55.82 for each barcode scanner and an annual service fee of \$223.25.

CUSTOMER SERVICE

A Distributor representative will closely monitor the start-up phase of the Contract and provide visits to each MMCAP facility as required. Training will be provided to MMCAP facility personnel on the use of the Contract, ordering procedures, management report usage, and any other in-service education programs determined necessary by the MMCAP facility.

Distributor will assign a contract person for MMCAP Office staff relating to the Contract.

Distributor will assign a contact person for MMCAP facilities at each distribution center. The contact person will be at a management/administrative level and have the responsibility, experience, knowledge, and authority to respond to questions and solve operational problems presented by the MMCAP facilities. The contact person's office will be in the distribution center and be readily accessible to a MMCAP facilities via toll-free phone line, fax, or e-mail during the business day. The contact person will respond to any questions, problem, require, etc., on the same working day it is presented.

Distributor will have knowledge customer service representatives who will make on-site visits on a schedule established or requested by the individual MMCAP facilities.

ORDER PLACEMENT

Distributor will provide an ordering system/method to each MMCAP facility that allows the option to quickly and accurately order products within the current and future technological capabilities of that facility.

DELIVERY

Distributor has sufficient distribution centers to assure prompt and effective delivery of standard and emergency product deliveries to all MMCAP facilities regardless of location and volume.

Distributor will provide a daily order and delivery schedule (Monday through Friday). At a minimum, Distributor will deliver complete orders the next business day. The ordering and delivery schedules will provide late in the day order submission and next day delivery. A same day delivery option may be available.

Distributor will establish an emergency ordering procedure that the MMCAP facility can utilize to secure hospital and medical supplies by the most expeditious means available. Distributor provides a 24-hour a day, seven day a week, toll-free telephone number to be used to initiate an emergency order. Customer will be responsible for any special shipping charges when requested by the end user, for example Overnight or 2nd Day UPS. Distributor will notify the customer before these charges are incurred. Emergency delivery requiring same day delivery requested by the customer will be charged actual freight incurred by the center. **WE DO NOT PAY FOR DISTRIBUTOR FAILURE TO STOCK NORMALLY ORDERED ITEMS.**

MMCAP REPORTS

Usage Reports are available at the contract distributor local branch for the end user upon request. Quarterly reports are sent to MMCAP office.

INVENTORY MANAGEMENT

Distributor will provide an inventory of contracted products sufficient to meet the needs of the MMCAP facilities from the beginning of the contracting period.

In the event a distribution center is out of stock of an MMCAP-contracted product. Distributor will supply the requested product by the most expeditious means possible.

Distributor will supply only products having a shelf life of greater than six months unless the unique properties of a particular product require shorter dating or upon the approval of the MMCAP facility.

PSS's return goods policy will encompass the following:

1. All returns must be picked up within five working days of notification by the MMCAP facility or at the next delivery, whichever is sooner. Notification is defined as verbal notification, written notification or by electronic means.
2. No restocking charges will be imposed on the return of wrong product, ordered in error and short dating orders.
3. Recalled products; pickup will be within five working days from the date of notification or at the next delivery, whichever is sooner, or as specified in the recall notice.

4. Defective products; pickup will be within five working days from notification of the defect or at the next delivery, which is sooner.
5. Damaged products refused on receipt of delivery; the MMCAP facility will notify Distributor of the damaged product. Distributor will replace the damaged product within 24 hours, upon reorder by the MMCAP facility.
6. All credits will be issued within 10 working days of the return of the goods. MMCAP reserves the right to deduct from the invoice all credits that were not issued 10 working days after the return of the goods.
7. Distributor offers instant credits. When a product is returned to the Distributor drier, he or she issues a credit voucher immediately to the purchaser. The information, as well as the product, is processed the same day to credit the account.
8. Return Policy on special order items includes a fee equal to the manufacturer's restocking charge.

McKesson Return Policy will encompass the following:

1. Returned products must be saleable condition, be in original package, in full sale unit of measure and product must not be defaced, i.e., handwriting. Products returned after 60 days and up to one year after sale will be assessed a 20% restocking fee. Return freight charges will be deducted from the credit amount, except in cases of McKesson's error. Special orders may not be returned for credit.
2. There are no restocking fees imposed for Vendor errors, but McKesson reserves the right to charge shipping fee for those products refused by customers returned due to customer order error.
3. McKesson will make every effort to contact customers that have ordered an item that is recalled by the manufacturer. A return will be issued and the item will be picked up as quickly as possible or at the next scheduled delivery day.
4. Product found to be defective the tem will be picked up as quickly as possible or at the next delivery day.
5. Products damaged in transit and/or refused by MMCAP facility, McKesson will replace the item as quickly as possible and deliver with the next schedule standard delivery. Emergency replacements can be requested and will be determined by McKesson and MMCAP facility.
6. Credits for returned products will be reflected on the next business cycle from the date the product is received back by McKesson. MMCAP facilities may determine on which charges to apply the credits.
7. Whenever possible a McKesson fleet truck will pick up returns. Some pick ups are scheduled by common carrier, such as UPS, and are subject to their procedures and policies.

HOSPITAL AND MEDICAL SUPPLIES AND SERVICES CONTRACT PARTICIPATION

Distributor understands that the major factor I contract participation and increased sales volume is the quality of the product and pricing provided to MMCAP facilities. Distributor will continuously negotiate with manufacturers to obtain improved MSRP discounts and must extend the improved pricing to MMCAP Facilities. Distributor will work to establish product standardization wherever practical.