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

CONTRACT EXTENSION

1. DATE……May 24, 2011

2. COMMODITY NAME……...Bandages, Catheters, Etc. (Medical Supplies)

3. CONTRACT NUMBER……MMCAP M-487(5)

4. CONTRACT PERIOD……April 1, 2004 through November 30, 2011

5. SUPERSEDES……**Contract M-487(5)-11**

6. AUTHORIZED USERS……**Approved State Agencies** (Participation with this Contract ……requires completion of a MMCAP Membership Application Form.)

7. CONTRACTORS ……McKesson Medical – Surgical Minnesota Supply Inc.
8121 10th Avenue North
Golden Valley, MN 55427
MMCAP Contract Number 432344
(800) 328-8111 or (763) 595-6311(Phone)
(800) 237-9766(FAX)
E-Mail Order: GovernmentSales@McKesson.com
Contact: Theresa Mugge therese.mugge@redline.mckhboc.com

OR

Physicians Sales and Service (PSS)
12999 Wilfred Lane, Suite 250
Rogers, MN 55374
MMCAP Contract Number 432345
(763) 428-2388 or (800) 755-2203 (Phone)
(763) 428-9105 (FAX)
Contact: Bill Inman (Sales Leader) or Cindy Glunz (Customer service) binman@pssd.com and cglunz@pssd.com

8. TERMS……See attached

9. DELIVERY……..See attached

10. F.O.B.……Agency

11. MINIMUM ORDER……..None

12. FOR FURTHER CONTRACT INFORMATION CONTACT: Tina M. Rodriguez, CPPB, VCO
Phone (804) 786-1603 /FAX (804) 786-0223
Email: tina.rodriguez@dgs.virginia.gov

13. ADDITIONAL COPIES OF CONTRACTS AND ANY ASSOCIATED CONTRACT CHANGES MAY BE VIEWED AND PRINTED AT THE DPS WEBSITE: www.eva.state.va.us/dps.

14. **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.

/s/ *Tina M. Rodriguez*

By: _____

Statewide Commodity Contract Officer

DPS INSTRUCTIONS

1. Pursuant to the Division of Purchases and Supply, Agency Procurement and Surplus Property Manual, Chapter 14, Electronic Procurement, Section 14.9, Use of eVA and Exclusions, b., 14. and 15., purchases made from the Minnesota Multistate Contracting Alliance for Pharmacy (MMCAP) are excluded from eVA.

2. In order to participate in this Contract and the MMCAP program, a Participating Membership Application* **MUST** be completed, signed and faxed to Tina Mizelle, Statewide Contract Officer at 804-786-5413 for the state level approval. After the state level approval is complete, the application is forwarded to MMCAP for final approval. After final approval is complete, an email will be sent by MMCAP, to the requesting agency, outlining detailed instructions on website navigation, user id, password, and ordering procedures. **IF AN APPLICATION FORM IS ALREADY ON FILE WITH THE STATE OF MINNESOTA (MMCAP) FOR YOUR FACILITY, ADDITIONAL FORMS DO NOT NEED TO BE COMPLETED.**

3. **Pricing.** Please refer to the MMCAP website for current pricing and actual signed Contract documents at www.mmcap.org .

Admin Minnesota

Materials Management Division

Room 112 Administration Bldg., 50 Sherburne Ave., St. Paul, MN 55155; Phone: 651.296.2600, Fax: 651.297.3996
For TTY/TDD communication, contact us through the Minnesota Relay Service at 1.800.627.3529.

CONTRACT RELEASE: M-487(5)

DATE: MAY 23, 2011

PRODUCT/SERVICE: MEDICAL SUPPLIES, SERVICES AND BARCODE EQUIPMENT

CONTRACT PERIOD: APRIL 1, 2004, TO NOVEMBER 30, 2011

EXTENSION OPTIONS: NONE

MMCAP CONTACT: JAMES LOSINSKI

PHONE: 651.201.2440 **E-MAIL:** James.Losinski@state.mn.us **WEB SITE:** www.mmd.admin.state.mn.us

CONTRACT VENDOR	CONTRACT NO.	TERMS	DELIVERY
PHYSICIANS SALES & SERVICE (PSS) 12999 Wilfred Lane, Suite 250 Rogers, MN 55374	**432345**	**NET 30**	**3 DAYS ARO** **FOB Destination**

VENDOR NO.: 031872001 00 **SALES LEADER:** Bill Inman **PHONE:** 763.428.2388 or 800.755.2203
CUSTOMER SERVICE CONTACT: Cindy Glunz **FAX:** 763.428.9105
E-mail: binman@pssd.com and cglunz@pssd.com

MMCAP Members: Go to www.mypss.com follow links to your distribution center location and ask for Sales Leader.

Corporate Contact: Ed Burleson **E-mail:** eburleson@pssd.com **PHONE:** 904.332.3159 **FAX:** 860.767.9453
Corporate Address: PSS World Medical 4345 Southpoint Blvd, Jacksonville, FL 32216

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CONTRACT VENDOR	CONTRACT NO.	TERMS	DELIVERY
MCKESSON MEDICAL-SURGICAL MINNESOTA SUPPLY INC 8121 10th Ave North Golden Valley, MN 55427	**432344**	**Net 30**	**3 DAYS ARO** **FOB Destination**

VENDOR NO.: 189100000-00 **CONTACT:** Therese Mugge **PHONE:** 800.328.8111 Ext: 6588
FAX: 800.237.9766
Email Orders and Information: government.sales@mckesson.com www.mckesson.com

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SCOPE. This Contract is to provide medical supplies to State agencies, CPV members and MMCAP participants.

CONTRACT USERS. This Contract is available to State agencies, members of the State's Cooperative Purchasing Venture (CPV) program, and Minnesota Multistate Contract Alliance for Pharmacy (MMCAP) members at the same prices, terms, and conditions.

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.

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

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.

DELIVERY. Same day if ordered by 10:30 a.m. within 100 miles of a distribution facility, otherwise next day.

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.

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.

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.

UNIFORMITY OF OFFER. The Contract is not a limitation of distributor's ability to offer special discounts for periodic high-volume and equipment purchases.

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.

TOLL-FREE ORDER TRANSMISSION. Distributor will provide toll-free order transmission service to all MMCAP facilities.

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.

DELIVERY REFUSALS. Distributor will at no time refuse to deliver to any MMCAP facility without notification to the MMCAP Office.

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.

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.

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.

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.

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.

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 invoice sales to the MMCAP office. The administrative fee will be paid within 45 days after the end of each quarter.

MANUFACTURER CONTRACTS. MMCAP reserves 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

SERVICE FEE. There are no service fees allowed by either Contract Vendor.

PRODUCTS. Distributor will provide products at the prices established. Prices changes will be sent to State Contacts and posted on the MMCAP as they occur. The list of products may change to accommodate the needs of MMCAP facilities. (Product/Price lists include all service fees.)

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 percent for McKesson off MSRP (See manufacturer discount list) the service fee is included in all discounts offered. (Updated annually for catalog year.)

SERVICES/PARTS. PSS has provided a list of all other available services (e.g., equipment repair and calibration, JACHO, CEU credits, product training, etc.). The hourly rate for labor is $95.00; the discount for parts is 10 percent.

BARCODE. SmartScan Bar codes to be used with www.MyPSS.com is available for a one time charge of $200.00 for SmartScan starter kit (includes one scanner) Additional or replacement scanners if needed are $150.00

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 contact 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 MMCAP facilities via toll-free phone line, fax, or e-mail during the business day. The contact person will respond to any question, problem, request, etc., on the same working day it is presented.

Distributor will have knowledgeable 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. The status of each order will be sent to each MMCAP facility on the day the order is placed. The line sequence of such status will match the line sequence of the MMCAP facility's purchase order.

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 carrier. 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 – RETURN GOODS POLICY:

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, whichever 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 driver, 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 manufacturers restocking charge.

MCKESSON RETURN GOODS POLICY:

1 Returned products must be in 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 a 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. Products found to be defective the item 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 scheduled 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.

CONTRACT PRICES. ALL PRICES ARE LOCATED AT www.mmcap.org.

CUSTOMERS WILL NEED AN ACCESS CODE TO VIEW THE PRICE LISTS. IF YOU DO NOT HAVE AN ACCESS CODE, CONTACT JAMES LOSINSKI AT 651.201.2440.

REVISIONS:

05/23/11 Contracts 432344 (McKesson) and 432345 (PSS) are extended through November 30, 2011. All discounts, terms and conditions remain the same.
10/25/10 Physician Sales and Services Contract 432345 product addition
09/15/10 MMCAP contact changed to James Losinski
09/01/10 McKesson Contract 432344 lowered prices.
08/30/10 Contract 432345 added state specific language for the State of Oregon.
06/30/10 Contracts 432344 and 432345 are extended through May 31, 2011, at the same terms and conditions with adjusted prices.
02/23/10 Added additional language for the State of Washington in order to ensure compliance with that state's laws.
11/30/09 Contract 432345, PSS, additional items added to contract. Pricing sheet updated with additional products and column with pricing through September 30, 2009 has been deleted from the spreadsheet.
11/18/09 McKesson phone number and Email for information have been updated.
10/15/09 Contract 432344, McKesson, has new pricing effective October 14, 2009. Also updated 'DELIVERY' for 432344 as: FOB Destination. Additional minor corrections.
09/21/09 Contracts 432344 and 432345 are extended through June 30, 2010 at the same terms and conditions. Price changes for both vendors are effective October 1, 2009. McKesson fax number updated.
03/09/09 McKesson Email updated for Email Orders
03/06/09 Contracts 432344 and 432345 are extended through September 30, 2009. Contract 432345 is at the same prices, terms and conditions. Contract 432344 has price changes effective April 1, 2009.
Vendor 432344 company name updated to McKesson Medical-Surgical Minnesota Supply Inc.
12/10/08 Changes to vendor contact information for PSS, names and email addresses only.
11/24/08 Contract 432344 is amended to allow price increases on gloves only.
03/20/08 Contracts 432344 and 432345 are extended through March 31, 2009, at the same terms and conditions and with adjusted prices. Service fees are deleted from both Contracts and may not be added to an invoice.
12/15/06 Contract extension and fax number correction for McKesson.

Contract Release M-487(5)

07/12/06 Price decrease for PSS SMARTSCAN bar code reader.
05/17/06 Changes to vendor contact information and minor corrections only.
03/21/06 Contract extended 12 months for both PSS and McKesson. Phone number change for AMS, Usage report notice to end user that they are available from Contract distributor‘s local branch upon request.