



Pharmaceutical Prime Wholesaler Services Contract

MMCAP Infuse

Contract No: MMS1900115

This Contract is between the State of Minnesota, acting the Commissioner of Administration, on behalf of MMCAP Infuse ("State" or "MMCAP Infuse") and **Morris & Dickson, Co., LLC** whose designated business address 410 Kay Lane, Shreveport, Louisiana 71115 ("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 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.

<https://www.mmd.admin.state.mn.us/MMCAP/Contracts/Default.aspx>

4. Wholesaler's duties

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 ten (10) 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.

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) WHOLESALER commits any material breach of this Contract or a Purchase Order. Upon receipt of written notice of termination, WHOLESALER will stop performance under the Purchase Order as directed by the MMCAP Infuse Member.

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 Members' law.

8. Authorized Representative

MMCAP Infuse's Authorized Representative is Ms. Debra López-Burandt, MMCAP Infuse Pharmacy Distribution Services 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 Mike Casida, Sr. Director Health Systems at the following business address and telephone number: 1776 Woodstead Court, Suite #125, The Woodlands, TX 77380, 281-292-9180 mcasida@morrisdickson.com, or his/her successor or designee. 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
Pharmacy Distribution Services Coordinator
112 Administration Building
50 Sherburne Avenue
St. Paul, MN 55155
Fax: 651-201-3053

Morris & Dickson, Co., LLC
Sr. Director, Health Systems
1776 Woodstead Court, Suite #125
The Woodlands, TX 77380
Fax: 281-292-9214

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 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 MMCAP Infuse 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 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 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 Authorized Representative.
- 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 sole 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.

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 MMCAP Infuse 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. Such audits may be conducted only during ordinary business hours and upon reasonable notice.
- 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

- 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 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.

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,

<https://www.mn.gov/admin/state.mn.us/MMCAP/Contracts/Default.aspx>

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 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 and MMCAP Infuse has approved such insurance. 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 operations under the Contract whether the operations 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

\$5,000,000 – annual aggregate – Products/Completed Operations

The following coverages shall be included:

Premises and Operations Bodily Injury and Property Damage

Personal and Advertising Injury

Blanket Contractual Liability

Products and Completed Operations Liability

Other; if applicable, please list _____

MMCAP Infuse named as an Additional Insured, to the extent permitted by law

- 17.2.3 **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 will be the sole responsibility of the WHOLESALER and may not exceed \$50,000 without the written approval of MMCAP Infuse. If the WHOLESALER desires authority from MMCAP Infuse to have a deductible in a higher amount, the WHOLESALER shall so request in writing, specifying the amount of the desired deductible and providing financial documentation by submitting the most current audited financial statements so that MMCAP Infuse can ascertain the ability of the WHOLESALER to cover the deductible from its own resources.

- 17.3.2 WHOLESALER's policy(ies) shall be primary insurance 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;

<http://www.mmladain.state.mn.us/MMCAP/Contracts/Default.aspx>
If WHOLESALER receives a cancellation notice from an insurance carrier affording coverage herein, WHOLESALER agrees to notify MMCAP Infuse within five (5) 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;

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

WHOLESALER's policy(ies) shall include legal defense fees in addition to its liability policy limits, with the exception of B.4 above;

WHOLESALER 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. All insurance policies must be open to inspection by the State, and copies of policies must be submitted to MMCAP Infuse's Authorized Representative upon written request.

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

WHOLESALER 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_Infuse.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 MMCAP Infuse 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 sixty (60) 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 thirty (30) 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 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/EVerifySubCertForm.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 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. No substitutions or cancellations are permitted without written approval of the MMCAP Infuse Member. Back orders, failure to meet delivery requirements, or failures to meet specifications in the purchase order and/or the Contract authorizes the ordering entity to cancel the Contract or purchase order, or any portion of it, purchase elsewhere, and charge the full increase in cost and administrative handling to the WHOLESALER. 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 (subject to historical usage and active WHOLESALER agreement with manufacturer), by all MMCAP Infuse Members, or WHOLESALER shall pay the following fee to MMCAP Infuse: \$2,500/day, until resolved, not to exceed \$50,000 per bid roll.

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, or WHOLESALER shall pay the following fee to MMCAP Infuse: \$1,000/day, until resolved, not to exceed \$10,000 per instance, Prior to implementing a fee MMCAP Infuse shall provide

WHOLESALE an opportunity to cure any reporting failure. The cure period will be limited to three (3) business days. If WHOLESALER cures any reporting failure during this time no fee will be due

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 (subject to historical usage and active WHOLESALER agreement with manufacturer), 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 fifty basis points (0.50%) of the previous month's volume of the lowest cost contracted GCN (generic code number) item utilized by that MMCAP Infuse Member. If no contracted GCN is loaded, then credit will be generated against the volume of the lowest priced non-contracted GCN item utilized by MMCAP Infuse Member. WHOLESALER shall credit to the MMCAP Infuse 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 Attachment D or as otherwise agreed upon by the WHOLESALER and MMCAP Infuse Member. Where delivery is delayed, WHOLESALER shall credit to the MMCAP Infuse 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 MMCAP Infuse Member within fourteen (14) calendar days of the original delivery date. WHOLESALER shall not be responsible for paying the aforementioned fee for delays outside of its control.

34.2.5 Invoices. Where WHOLESALER submits subsequent invoices for any fees not related directly to product cost, WHOLESALER shall reference the original invoice number or purchase order number. WHOLESALER shall credit to the MMCAP Infuse Member the amount of sixty dollars (\$60.00) for each subsequent invoice for fees not related directly to product cost submitted that fails to meet the above requirement.

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

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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, and the MMCAP Infuse Member has worked with MMCAP Infuse to resolve the dispute, 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.
- 40. Texas Department of State Health Services (TX DSHS).** In the event of a direct contract between WHOLESALER and the TX DSHS, the TX DSHS shall not be a party to this Contract, nor shall the terms of this Contract apply thereto, unless otherwise agreed to in writing by formal amendment to this Contract.

Subject to the above, WHOLESALER agrees to: 1) administer MMCAP Infuse Contracts for eligible TX DSHS facilities; 2) report TX DSHS MMCAP Infuse purchases to MMCAP Infuse per terms of this Contract relating to contract loads and sales reporting; and 3) pay MMCAP Infuse Administrative Fee on MMCAP Infuse account sales. MMCAP Infuse Administrative Fee will not be paid on Prime Vendor 340B Drug Pricing Program Sales, Prime Vendor DSH sales or on drop shipment sales. MMCAP Infuse Administrative Fee for non-contract sales to WAC accounts (related to 340B split bill accounts) may be made available to MMCAP Infuse upon written request by MMCAP Infuse for sales to TX DSHS.

VENDOR: Morris & Dickson, Co., LLC

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

Name: Mike Casida

Signature: Mike Casida

Title: Sr. Director, Health Systems

Date: 8/1/2019

STATE OF MINNESOTA FOR MMCAP INFUSE

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

Name: James B. H.

Signature: [Signature]

Date: Aug 1 2019

COMMISSIONER OF ADMINISTRATION

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

Name: Sara Turnbow

Signature: Sara Turnbow, PharmD, BCPS

Date: 8-1-19

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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.

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 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 services and products agreed upon in this Contract to MMCAP Infuse Participating Facilities and/or MMCAP Infuse Members- within the contracted service area as specified by this Contract. Wholesaler must provide services to all MMCAP Infuse Participating Facilities within a state (not partial service coverage).

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

Wholesaler may service other MMCAP Infuse states, including states outside the Wholesaler's service coverage, if the MMCAP Infuse Member State is willing to accept applicable operational constraints and associated costs specified as an amendment. Service capabilities are dependent on Wholesaler obtaining appropriate licenses within the state.

4.3 Customer Service

A. Customer Service to MMCAP Infuse

The Wholesaler will designate an Account Management Team for MMCAP Infuse. The Wholesaler will assign an Account Management Team having 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. Account Management Team for MMCAP Infuse (name, email address, telephone number):

Mike Casida – Senior Director, Health Systems
(214) 257-8070
mcasida@morrisdickson.com

Jaime Barouh - National Accounts, Health Systems
(281) 743-8063
jbarouh@morrisdickson.com

Ron Maingot – Account Manager, Health Systems
(210) 722-0069
rmaingot@morrisdickson.com

2. Additional function contacts are:

- a. Contract issues/discrepancies (product stocking, product loading, pricing); Therese Aldrich - Contracts Department Manager, taldrich@morrisdickson.com , (800) 388-3833.
- b. Class of trade issues (contract eligibility, denials, etc.); Therese Aldrich - Contracts Department Manager, taldrich@morrisdickson.com , (800) 388-3833.
- c. Issues concerning MMCAP Infuse's invoice auditing service:
 - 1) Technical (e.g., electronic 810s); Mike Gray - IT/Answer Resolution, mgray@morrisdickson.com , (800) 388-3833.

- 2) Discrepancy resolution; Therese Aldrich, Contracts Department Manager, taldrich@morrisdickson.com , (800) 388-3833.
- d. Service fee discounts; Jaime Barouh, National Accounts, jbarouh@morrisdickson.com , (888) 376-7409.
- e. Data/Reporting; Russ Salley, rsalley@morrisdickson.com , (800) 388-3833.
- f. DSCSA: Ron Maingot; rmaingot@morrisdickson.com 800-388-3833
- g. Accounts Receivable; Beverly Barr, bbarr@morrisdickson.com , (800) 388-3833.
- h. Accounts Payable; Beverly Barr, bbarr@morrisdickson.com , (800) 388-3833.
- i. MMCAP Infuse Shareback Fee process and details. Beverly Barr, bbarr@morrisdickson.com , (800) 388-3833.
3. In the event the MMCAP Infuse determines the Primary Account Representative is non-responsive, MMCAP Infuse will escalate to Mike Casida, Senior Director, Health Systems, 214-257-8070 mcasida@morrisdickson.com or his successor, 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, online meeting, or telephone with the Wholesale's Primary Account Representative(s), as deemed necessary by MMCAP Infuse's Pharmacy Distribution Services Coordinator.
- b. Wholesaler will hold quarterly Executive Business Reviews, as deemed necessary by MMCAP Infuse's Pharmacy Distribution Services Coordinator, at MMCAP Infuse's office, online meeting, or telephone 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:

- a. Customer support is centralized in Shreveport, LA.
- b. Access to customer service representatives with principal responsibilities in the areas of order entry, Drop Shipment ordering, stocking issues, and general customer service requests.
- c. Customer service hours of operation are 8:00 am to 6:00 pm (Central 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).
- d. The Wholesaler's Account Management team will be available during the hours that customer service is not to handle any request that may develop. Additionally, Wholesalers "Answer Department" monitors voice messages received after hours.
- e. Wholesaler's customer service toll free access at (800) 388-3833 or (318) 797-7900, by fax (318) 798-5237, or Dan Hoskins at dhoskins@morrisdickson.com.
- f. Wholesaler's technical support is available from 8:00 am to 6:00 pm (Central Standard Time) Monday through Friday by calling (800) 388-3833 or (318) 797-7900.
- g. After hours emergency options, including pertinent email addresses and phone numbers, are available in Morris & Dickson's Emergency and Disaster Plan.

2. MMCAP Infuse Members' Customer Account Representatives

- a. MMCAP Infuse State Contacts. Each MMCAP Infuse State Contact will have a designated account management representative 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:
 - Customer satisfaction
 - Wholesaler performance – Service Levels
 - Purchases
 - State account performance (COGs, payment terms, etc.)
 - Reports (e.g., contract compliance, contract opportunities)
 - Opportunities for Improvement
 - Projects and Initiatives
 - Other
- b. MMCAP Infuse Participating Facilities. Wholesaler will provide a customer account representative for each MMCAP Infuse Participating Facility serving 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 customer account representative 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. Customer account representatives will make routine on-site visits to discuss performance issues and solve problems according to the following schedule:

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Average Monthly Purchasing Volume	Frequency of Contact with MMCAP Infuse Participating Facility	Type of Contact
\$0 - \$25,000	Dialogue with MMCAP Infuse Participating Facilities at least once quarterly, or more often as requested.	Telephone Call
\$25,001 - \$50,000	Dialogue with MMCAP Infuse Participating Facilities at least once quarterly; offer quarterly Business Reviews	Telephone Call or On-site visit
\$50,001 – and Up	Dialogue with MMCAP Infuse Participating Facilities at least once per month; Business Reviews offered quarterly.	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 Business Reviews desired.	On-site visit or telephone call

- c. 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.
- d. 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.
- e. 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.
- f. The Wholesaler's assigned customer account representatives will maintain both a working and strategic relationship with MMCAP Infuse Member-assigned MMCAP Infuse Senior Account Executives. The customer account representatives 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.
- g. In the event the MMCAP Infuse State Contact or MMCAP Infuse determines a customer account representative is non-responsive, MMCAP Infuse will escalate to: Jaime Barouh, jbarouh@morrisdickson.com, (888) 376-7409 to take appropriate corrective action for problem resolution.

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

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. 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 transition is to occur the 1st day of the next available month.

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 if requested by facility. MMCAP Infuse Participating Facilities have the ability to print shelf labels from their facilities.
4. Price loading of all MMCAP Infuse Contract Products as verified by the manufacturers.
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.

Credit application or customer conversion survey completed.

Copies of State Pharmacy License, State Controlled Substance License, and DEA license provided to Wholesaler.

Obtain digital certificate or paper certificate for CSOS.

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

If new to MMCAP Infuse, usage information will be secured by customer account representative, if possible.

Ancillary contracts secured by representative.

Contract load begins (internal).

Wholesale Customer Account Representative, Inventory Manager & Facility Manager discuss complete startup, including inventory requirements.

Obtain MMCAP Infuse roster and confirm eligibility.

Week 2 - 3

Set up Web Portal logins.

Construct User item files.

Create shelf-labels.

Setup invoices, price stickers and management report formats.

Continue ordering pre-work (EDI, ordering system).

Complete account set-up and provide account numbers.
<http://www.mmcapharm.com/MMCAP/Contracts/Default.aspx>

Week 4

Train MMCAP Infuse Participating Facility employees on the Web Portal.

Label MMCAP Infuse Participating Facility.

Account manager and customer account representative meet with MMCAP Infuse Participating Facility Pharmacy Director/Buyer to preview startup, procedures for new items, pricing issues, additions to contract, etc.

Customer Account Representative reviews the Web Portal and use of order entry device with MMCAP Infuse Participating Facility buyers.

Introduce customer service representatives.

Test deliveries for two (2) days.

Week 5

Service begins

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. Credit Application
3. Customer Conversion Survey
4. DEA License (letter from physician on MMCAP Infuse Member letterhead if using a physician's DEA)
5. State Pharmacy License
6. State Controlled Substance License (if applicable)
7. Sales Tax Exempt Certificate
8. Bank Draft from if using EFT
9. Six (6) month purchase history sufficient for the Wholesaler to appropriate stock inventory in anticipation of the transition to the Wholesaler.
10. Customer Repackaging Agreement (if applicable)
11. Compliance Documents

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 DSCSA 3T Data subscription, invoice auditing and returned goods services. To use MMCAP Infuse repackaging services, Wholesaler requires the use of a "Customer Repackaging Agreement".

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. 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.

To ensure that Bid-Roll is synchronized for the specific effective date interval of the Contract Product roll, 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 with the distribution center

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, 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 or demand does not meet the minimum order requirements the manufacturer places on the Wholesaler. 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. There are instances where the manufacturer will limit the distribution of their products. The Wholesaler will not be obligated to sufficiently stock MMCAP Infuse Contract Products when prohibited by the manufacturer. Additionally, there are occasions when a manufacturer does not meet the requirements set forth by the Wholesaler (i.e. insurance requirements). In these instances, the Wholesaler will provide written justification to MMCAP Infuse and will not be required to meet the terms laid out above.

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 center 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.
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 or does not meet the minimum order requirements the manufacturer places on the Wholesaler. For Products marked as non-stock, Wholesaler must submit a monthly report detailing how equivalent generic purchasing is impacting non-movement.
9. 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 4.5F: Wholesaler Created Stock Outage.
10. MMCAP Infuse Contract Products that are not stocked, an MMCAP Infuse Participating Facility may request the Wholesaler to add the Product to inventory by contacting customer service or its customer 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 4.5F: 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 4.5F: 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. 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 determining the difference between the lower cost contract product not available and the next lowest priced product (either Contract or Non-Contract) that is purchased from the Wholesaler. 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.
12. Wholesaler's designated contacts for all usage, inventory, and special order questions for MMCAP Infuse are Jaime Barouh jbarouh@morrisdickson.com, 800-388-3833. MMCAP Infuse Participating Facilities can also contact their customer 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 Infuse, Morris & Dickson, and the manufacturer. Morris & Dickson will work with MMCAP Infuse and Participating States regarding (PIP) Programs in limiting the number of locations serviced (i.e. state regional distribution methodology) in order to quickly and most effectively service the crisis.

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 Infuse, Morris & Dickson, 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 4.5F: 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, or by using any electronic solutions (email, ordering system) available through the Wholesaler. Placing a Product on backorder enables the MMCAP Infuse Participating Facility to receive the Product upon availability without placing a reorder if MMCAP Infuse Participating Facility requests this functionality. Alternatively, if a MMCAP Infuse Participating Facility uses Wholesaler's ordering system, MMCAP Infuse Participating Facility will receive notification when a backordered item becomes available, and can place the order for the quantity desired based on notification. Additionally, for recalled Products, the Wholesaler will be required to allow the MMCAP Infuse Participating Facility to re-order at the time of the recall.
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 MMCAP Infuse Participating Facility opts into the Failure To Supply (FTS) and if the Wholesaler fails to make prompt shipment of MMCAP Infuse Contract Products due to Wholesaler created Stock Outages, Wholesaler's ordering system 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 next lowest priced alternative within the Wholesaler's Generic Drug Program portfolio or a 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 with the applicable Inventory Departments to bring the requested Product into stock, as long as the minimum stocking requirement of three (3) units per month minimum order requirement the manufacturer places on the Wholesaler 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.

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Accurate as of March 11, 2021
The most current version

Table 4.5 F: Wholesaler Created Stock Outage <http://mn.us/MMCAP/Contracts/Default.aspx>

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 when the MMCAP Infuse Member attempts to order and subsequent request to stock is made to Wholesaler (assumes Contract Product is not MBO or on Manufacturer Allocation, and is not considered a MBO Unit, as defined in Section 4.5 Inventory Management, H. Service Level Calculation).	<ul style="list-style-type: none"> Goal: Three (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 3 units per month 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 demand being below required minimum utilization levels.
Newly Added Contract Products		
New Contract Product – relationship with Mfg/Sup already established and NDC/UPC is already stocked by Wholesaler 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 seven (7) 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. Assumes manufacturer has product available to ship to the Wholesaler, as of the specified effective date.	<ul style="list-style-type: none"> Goal: Eight (8) 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.
Shift Demand		
Shift demand of GCN equivalent(s) when a lower priced product comes on as a new Contract Product Assumes manufacturer has product available to ship to the Wholesaler, as of the specified effective date.	<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 GCN equivalents.

<http://www.mmd.admin.state.mn.us/MMCAP/Contracts/Default.aspx>**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>When a dual/multiple award Contract Product is discontinued, demand is to be shifted to a less active, GCN 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>	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 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 next lowest priced 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. For example, if the alternate equivalent generic product choices available were at \$5, \$7, and \$10 respectively, the next lowest priced product would be the product priced at \$5, assuming the \$5 priced product is in stock. 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.</p> <p>This is an “opt-in” program whereby notification of an MMCAP Infuse Member State intent to opt-in must be provided MMCAP Infuse and to Jaime Barouh at jbarouh@morrisdickson.com. If notification is received, the service fee discount as specified in Attachment C, Service Fee Discount Matrix, will be reduced by 10 basis points, so that the MMCAP Infuse Member can participate in this program and be eligible to submit FTS claims.</p> <p>Claims submitted that satisfy the process requirements of the Failure to Supply (FTS) MMCAP Infuse Contracted Products Process, will be cumulatively capped at 0.15% of year to date purchases of the MMCAP Infuse Participating Facility.</p> <p>All FTS claims will be subject to the same exclusionary rules as identified in Section 4.5, H Service Levels, under MBO Units.</p>		

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11. Failure to Supply (FTS) MMCAP Infuse Contract Products Process: <http://www.mmcapsupply.com/MMCAP/Products/Default.aspx>

- a. 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.
- b. 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.
- c. 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
 - Wholesaler Generic Program price
 - MMCAP Infuse Participating Facility's purchase price
 - Screen shot of "Quantity on Hand" for the original target item, at the time order was placed for the alternate NDC, including time stamp up to two hours prior to the order placed for alternate NDC
 - Alternate NDC
 - Alternate NDC manufacturer
 - Alternate NDC purchase price
 - Alternate NDC quantity purchased
 - Alternate NDC date purchased
 - Amount due
 - Reason (e.g., brief description, proof of failed order)
 - A copy of the invoice showing the purchase of an equivalent generic product from the Wholesaler
- d. Wholesaler must pay claims directly to the MMCAP Infuse Participating Facility via credit memo within thirty (30) calendar days of receipt of a claim.
- e. 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.
- f. Wholesaler's address for FTS reimbursement:
- g. Electronic filing address: jbarouh@morrisdickson.com .

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 through Wholesaler's website or push e-mail to MMCAP Infuse Participating Facilities. 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. Wholesaler's website and/or push e-mails 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 or customer account representative.

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. In the event Wholesaler's Adjusted Fill Rate falls below 98% for any month, the Wholesaler will be assessed the fee outlined below on all MMCAP Infuse Contract Products and Non-Contract Products purchased during that month in which the service level falls. Wholesaler will credit the amount back to the MMCAP Infuse Participating Facility by the last day of the first month of the next fiscal quarter (e.g., payment for default in January will be due on April 30). Failure to meet the Adjusted Fill Rate will not

itself constitute a contract breach, as long as the Wholesaler is current in crediting of such amounts. Failure to meet Adjusted Fill Rates for any MMCAP Infuse Participating Facility will be officially recorded as part of the Wholesaler's contract performance, which is available for public review and may be used as past performance in any future MMCAP Infuse awards.

98.and above	0 basis points
97.51% to 97.9%	5 basis points (0.05%) of all MMCAP Infuse Contract and Non-Contract pharmaceutical Products purchased during such month.
97.1% to 97.5%	6 basis points (0.06%) of all MMCAP Infuse Contract and Non-Contract pharmaceutical Products purchased during such month.
96.51% to 97.0%	7 basis points (0.07%) of all MMCAP Infuse Contract and Non-Contract pharmaceutical Products purchased during such month.
96.1% to 96.5%	8 basis points (0.08%) of all MMCAP Infuse Contract and Non-Contract pharmaceutical Products purchased during such month.
95.51% to 96.0%	9 basis points (0.09%) of all MMCAP Infuse Contract and Non-Contract pharmaceutical Products purchased during such month.
95.0% to 95.5%	10 basis points (0.10%) of all MMCAP Infuse Contract and Non-Contract pharmaceutical Products purchased during such month.
Less than 95%	25 basis points (0.25%) of all MMCAP Infuse Contract and Non-Contract pharmaceutical Products purchased during such month.

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.
7. MMCAP Infuse retains the right to investigate the backorder situation to determine the cause and responsibility of the backorder and to assist the Wholesaler and MMCAP Infuse Participating Facilities during the MBO period.

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 GCN, (specific for active ingredient, route, dosage form, pack size and strength), rather than NDC to aid in shift demand stocking decisions.

1. 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.
2. 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 seven (7) 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 the 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 in the distribution center.
3. 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.

E. Internal Controls and Quality Assurance Validation

Wholesaler's operations are routinely inspected and audited by regulatory agencies and manufacturers/suppliers. Manufacturer/Supplier inspections and audits are randomly audited, multiple times per year, in thorough detail. These on site audits cover all aspects of operations, including inspection of all quality controls and standard operating procedures. If requested by MMCAP Infuse or any MMCAP Infuse Member, as long as mutually agreed Non-Disclosure Agreement is in place, Wholesaler agrees to provide output of inspections and audits from these external sources.

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.
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 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: Web-based ordering system, EDI, direct call to customer service, and fax orders.
 - a. **Web Portal** - 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** – If an MMCAP Infuse Participating Facility chooses to implement an EDI solution, Wholesaler will have staff to work with the MMCAP Infuse Participating Facility and the third party vendor to develop the appropriate interface to begin trading files. The Wholesaler is required to support all 850, 855, 856, 810, 894 and 880 EDI protocol documents for electronic invoicing as well as 820 notices for electronic remittances.
 - c. **Punch-Out Option** - Wholesaler will work with states where a punch-out option is required. Punch-outs are ecommerce platforms that can allow access to real time stock status and pricing, with the functionality of order approval, accounts payable and receivables processes, and others functions within the capabilities of the specific software. In partnering with MMCAP Infuse Members on punch-out implementations, due to resource requirement to interface with third party solutions, there may be fees associated with implementing this option.

B. Software and Devices

Wholesaler agrees that all fees charged for software and/or ordering devices will be listed in Attachment B, Discounts and Fees. Wholesaler agrees to provide a handheld unit to MMCAP Infuse Participating Facilities with greater than \$25,000 per month in purchase volume.

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 Wholesaler's Web Portal. 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. While Wholesaler can accept both electronic and paper DEA 222 Forms, the Wholesaler's software for CSOS (electronic) is fully integrated with the Web Portal. The MMCAP Infuse Participating Facility will need to apply for their certificate from the DEA to use CSOS electronically. Wholesaler staff, both customer account representatives and IT support will be made available to assist with this process.
4. At a minimum, 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. CSOS (electronic), 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. In addition, Wholesaler will work with MMCAP Infuse to develop other training processes.
 - 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.

D. Inventory at an MMCAP Infuse Participating Facility

1. Wholesaler provides a complete physical inventory system within the Web Portal. Reports provide a detailed listing of all inventory within the pharmacy, and all its departments and locations. Reports are immediate and as such, the ability to conduct recounts and adjustments. Software includes the capabilities to enter items not purchased from Wholesaler. Reports may be formatted to major spreadsheet programs such as Microsoft Excel.
2. Shelf labels can be printed from the Web Portal.
3. Wholesaler will provide resources for training MMCAP Infuse Participating Facility staff on the inventory system either by on site demos or by Wholesaler's IT-Department via on-line demos.
4. Wholesaler will loan the necessary handheld devices to MMCAP Infuse Participating Facilities to help with their inventory process. Wholesaler requires a 30 day lead time to ensure the handheld devices can be made available.
5. Lead time requirements for Wholesaler customer account representatives to be scheduled for onsite support is 30 days. Onsite customer account representative support is limited to MMCAP Infuse Participating Facilities with purchasing volume in excess of \$50,000 per month.

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

Wholesaler is required to provide all software updates and system maintenance, recognizing that any Internet/Web-based systems will likely requires routine site maintenance. Wholesaler will limit maintenance occurrences to weekends and MMCAP Infuse Participating Facilities are to be notified in advance of said maintenance, specifying a specific window of time for the maintenance to occur. Faxes and calling the customer service department will serve as back-ups for the Wholesaler's ordering system during these maintenance windows.

F. Label and Marking<http://www.mmd.admin.state.mn.us/MMCAP/Contracts/Default.aspx>

The Wholesaler is required to provide bar-coded shelf labels for each MMCAP Infuse Participating Facility. Each label is to have options to display information including: SKU numbers, minimum and maximum order quantities, suggested order quantities based on the MMCAP Infuse Participating Facility's purchase history, and MMCAP Infuse Contract Product status. MMCAP Infuse Participating Facilities are to have access to place orders for shelf labels through the same systems used to place orders for pharmaceuticals. Wholesaler is required to support the printing of shelf labels on-site at the MMCAP Infuse Participating Facility using Wholesaler's hand held ordering devices or, depending upon availability, bar-code printers. For MMCAP Infuse Participating Facilities that do not have printing capabilities, the shelf labels are to be printed at the Wholesaler's servicing distribution center and delivered to the facility the following delivery day.

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
- Wholesaler Acquisition Cost
- Average Wholesale Cost (or Average Wholesale Price)
- Orange Book Rating – Referred to as AB rating
- Universal Product Code (UPC), where applicable
- Universal Product Number (UPN), 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

2. 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.

3. 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 Drug Program 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.

4. Wholesaler's ordering screen will clearly identify special orders such as controlled substances (e.g., CIIIs), Drop Shipments, and Closed Distribution Products.

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. Wholesaler is to provide a Confirmation Printback or Order Confirmation generated from the Wholesaler's system and sent to the ordering MMCAP Infuse Participating Facility on all orders processed.
2. For orders processed through Wholesaler's Web Portal, the Order Confirmation can be provided to the user electronically, and the MMCAP Infuse Participating Facility is to be given the option to elect to have the Order Confirmation print to a local printer.
3. Any additional fees for Product distribution will show as a separate line charge on an invoice, but not on the Order Confirmation.

D. Controlled Substances Ordering System (CSOS)

1. Wholesaler is required to supply a Controlled Substance Ordering System (CSOS) that will allow MMCAP Infuse Participating Facilities to submit secure, electronic orders for controlled substances. For new MMCAP Infuse Participating Facilities, paper versions of DEA Form 222 will need to be utilized until the installation process is completed for electronic DEA Form 222. The electronic DEA Form 222 is fully integrated with the Web Portal. For controlled substance orders using electronic CSOS (electronic DEA Form 222), fulfillment and delivery allows for next day delivery.
2. MMCAP Infuse Facilities will need to apply for their certificate from the DEA to be eligible for electronic ordering.
3. The required standard turnaround time for the hard copy version of DEA Form 222 is within two days of receipt at the distribution center.
4. Wholesaler can hold a controlled substance order to be shipped with the next order if requested by the MMCAP Infuse Facility.
5. Making separate deliveries will not generally result in a shipping charge, however, if a MMCAP Infuse Participating Facility is under a certain volume threshold and the control order takes them over their allocated number of deliveries for any given month, a delivery fee may result.
6. Wholesaler will not apply additional shipping charges for controlled substances when shipped separately from another order due to process delays.
7. Wholesaler has developed and deployed a comprehensive compliance software to monitor suspicious ordering of controlled medications. In addition to this software, Wholesaler has a dedicated compliance team to review and investigate any suspicious orders.

E. 340B Drug Pricing Program

1. 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.

2. 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, with the necessary number of 340B accounts to maintain compliance with HRSA requirements for shipment to the eligible 340B entity or its contract pharmacy location(s).
3. 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.
4. Wholesaler is required to have sufficient subject matter expertise available to MMCAP Infuse Participating Facilities to support the complex intricacies of this program.
5. Service fee/cost of goods discounts are to be applied to 340B purchases, with 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 (Attachment C).

4.10 Delivery

A. Routine Delivery

1. Wholesaler agrees that all fees charged for delivery will be listed on Attachment B, Discounts and Fees, and to provide free deliveries for all MMCAP Infuse Participating Facilities orders meet free delivery thresholds. Regardless of facility location, the Wholesaler will not be allowed to charge additional fees so long as the orders meet delivery thresholds.
2. All routine scheduled order shipments will be F.O.B. destination, freight prepaid.
3. Wholesaler agrees that it will not charge a fuel surcharge for the term of this Contract and any extensions.
4. 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	1 / week
\$25,001 and up	5 / week

5. Wholesaler will provide a daily order and delivery schedule for each MMCAP Infuse Participating Facility, with a delivery window of 7 AM to 2 PM, Monday through Friday, depending upon the MMCAP Infuse Participating Facility location and distance from the distribution service center and/or depot providing service to that MMCAP Infuse Participating Facility. For any deliveries made after 2 PM local time, Wholesaler will obtain approval from the MMCAP Infuse Participating Facility. All deliveries will be made next day business day, unless communicated otherwise.
6. Orders received Monday through Thursday will be delivered the following day. Orders received Friday will be delivered on Monday, or the next business day. Orders received on Saturday and Sunday will be delivered on Tuesday. Refrigerated product order on Friday and delivered through UPS/FedEx will be delivered on Tuesday to ensure the integrity of the product. 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.
8. Order cut off times for the Shreveport Distribution Center will be 6:00 pm Central for MMCAP Infuse Participating Facilities in the central time zone and 5:00 pm Eastern for MMCAP Infuse Participating Facilities in the eastern time zone. Order cut off times for accounts that receive UPS/FedEx deliveries will be 5:00 pm Central and 4:00 pm Eastern. Wholesaler uses the following methods to transport product to MMCAP Infuse Participating Facilities:
 - Wholesaler owned transportation
 - Couriers
 - UPS/FedEx

UPS/FedEx requires that aerosols and flammables be shipped by ground. Wholesaler will provide all necessary required documents for transport of specialized product. Wholesaler reserves the right to seek the most cost effective method for delivery for those deliveries which cannot be handled through

the normal delivery channels due to size/weight. Wholesaler will pass through the incremental delivery expense.

9. In using third-party couriers, the Wholesaler will ensure their courier contracts will include the requirements to complete mandatory overall and customer-specific training, drug screening, and possesses the necessary vendor certifications and licensure to fulfill their deliveries. Courier contracts will need to require 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.
10. 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.
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 Attachment D, Wholesaler's Returned Goods Policy, 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 Attachment D, Wholesaler's Returned Goods Policy. 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 metrics 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. Product regularly classified as drop shipped product shall be billed at supplier's invoiced price to distributor. In the event the supplier does not offer at least 1.0% discount purchase terms or supplier terms do not adequately meet Wholesaler's overall cost of service, Wholesaler will assess a processing fee as specified in Attachment B. Any extra fees passed to Wholesaler by the drop-ship supplier, such as extra delivery expenses, will be forwarded to the MMCAP Infuse Participating Facility for payment.
2. In all cases, MMCAP Infuse Participating Facilities reserve the right to purchase and pay directly through drop ship vendors.
3. The Wholesaler will act as a conduit to expedite and simplify the ordering and payment of drop shipped Products.
4. Unless approved by the MMCAP Infuse Participating Facility, Drop Shipments directly from product suppliers for recurring orders are prohibited.
5. Products requiring Drop Shipment must be easily identified and denoted as such in Wholesaler's ordering system(s).
6. 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.
7. 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 <http://www.admin.state.mn.us/MMCAP/Contracts/Default.aspx>

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 materials 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 for diversion control. This program uses threshold methodology that is continually developed and refined by the Wholesaler. The methodology is based upon a variety of factors, including the prescription volume of the pharmacy and the historical purchase volumes supplied to Wholesaler.

MMCAP Infuse Participating Facilities' orders will be tracked according to the above-described methodology. Any thresholds that have been exceeded will be communicated to the Participating Facility allowing for the Participating Facility to respond. Further compliance processes may be required in order to justify additional purchases beyond any established thresholds.

Wholesaler will continue to explore alternate distribution models. In the event that regulatory action is taken against a distribution center, the Wholesaler's goal is to ensure continuity of product deliveries to the impacted MMCAP Infuse Members. Wholesaler will keep MMCAP Infuse updated on any changes to its distribution centers and 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 MDSD. MDSD is a wholly owned subsidiary of the parent company Morris & Dickson Co. LLC. MMCAP Infuse acknowledges that certain MMCAP Infuse-contracted suppliers have limited distribution networks and that MDSD may be distributing these manufacturers' products for MMCAP Infuse Participating Facilities. Wholesaler will ensure that MMCAP Infuse is paid the distributor administration fee on MMCAP Infuse Contract Products distributed by MDSD. Service Fee Discounts and distributor administration fee will not be applied to Products purchased through MDSD.
5. Wholesaler also works with BDI /FFF/ASD/Cardinal. Wholesaler has drop ship billing relationships with these entities to provide MMCAP Infuse Participating Facilities with specialty products from manufacturers who only allow distribution through Specialty Distribution Centers. Specialty products can be ordered by calling Wholesaler's customer service. In most cases, shipping will be provided by the Specialty distribution center. Invoicing can be billed through Wholesaler. Drop shipped product will be billed at supplier's invoiced price to distributor.
6. Wholesaler is also required to ensure that MMCAP Infuse sales distributed by MDSD are included in the Sales Data Report, as specified in Section 4.20 Mandatory Reporting, but with the same reporting limitations of extended price for 340B and WAC purchases.
7. In the event a manufacturer charges MDSD 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 Infuse Participating Facility for products supplied by MDSD.

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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. Wholesaler will pass through the incremental delivery expense. Any handling fees for non-MMCAP Infuse contract bulky items are to be reported as a separate line item on the MMCAP Infuse Participating Facilities' invoices.

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 <http://www.mmd.admin.state.mn.us/MMCAP/Contracts/Default.aspx>**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 Infuse 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:

- MMCAP Infuse Participating Facility name
- Wholesaler account number
- Contract volume (in dollars) by facility
- Not-on-contract volume (in dollars) by facility
- Total volume (in dollars) amounts by facility
- 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. Wholesaler's Web Portal will offer "Contract Ranking" settings to assist MMCAP Infuse Participating Facilities in search result rankings to bring 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, via email, as directed by MMCAP Infuse.

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 (excluding 340B and WAC accounts) 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, at no additional charge or monthly subscription fee, with reporting and analytic tools through the Web Portal, and where needed, ad-hoc reporting, regardless to these tools being considered to be standard or advanced. At a minimum, Wholesaler will provide the following on-line reporting tools:
 - 80/20 Purchase Summary Report: ranks items by sales value over a designated period of time
 - Velocity reporting
 - Manufacturer Backorder reporting
 - Therapeutic Class reporting
 - Contract Compliance reporting
 - Generic Opportunity Savings analysis
 - History Detail/History Summary reporting
 - Market Share Reporting
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. MMCAP Infuse will not have access to 340B and WAC accounts.
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, excluding sales through MDSD.
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 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 C, Service Fee Discount Matrix.

7. MDSD is required to utilize the MMCAP Infuse-contract price associated with MMCAP Infuse-Contract Products distributed through MDSD. If MDSD has the same NDC available through its contracting as is contracted under MMCAP Infuse, MDSD will provide the Wholesaler inventory identification number utilizing the MMCAP Infuse-contract pricing. Service fee discounts will not be applied to any product purchased directly or drop shipped through MDSD.
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
 - MMCAP Infuse Participating Facility's purchase order number
 - Invoice date
 - Wholesaler's SKU item number
 - NDC (11 digit)
 - Controlled substance classification
 - Product Name/Description
 - Unit price
 - 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
Not available	Taxable
C = Contract Item G = Group I = Individual M = M&D	Contract
Promo % - Mfg Promotion Disc.	Special net
Promo % - Mfg Promotion Disc.	Special pricing

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12. Wholesaler's omit codes are: <http://www.admin.state.mn.us/MMCAP/Contracts/Default.aspx>

Code	Definition
Mfg Backorder (If date is available, it will be listed).	Manufacturer Backorder
Qty "0"	Warehouse out
Mfg Backorder	Manufacturer out
Qty "0"	Not stocked
Mfg permanently discontinued.	Manufacturer discontinued
Permanently Discontinued.	Warehouse discontinued
On separate paper with invoices. Recall.	Drug recall
Backorder upon Receipt	New item/stock unavailable
N/A (not on invoice)	Restricted item
N/A (not on invoice)	Product allocation

13. List Drug Class (DC)

Code	Definition
2	Prescription
4	Schedule 4-5
5	LA Only
6	Schedule 3
8	Schedule 2

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, after the product price is multiplied by the quantity.

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:
 - Original purchase order
 - Original Wholesaler invoice number
 - Original invoice date
 - Itemized listing of the product(s) affected
 - Any rebill associated with the credit
 - Reason(s) for the credit (e.g., manufacturer credit, merchandise return, etc.)
 - 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 the Web Portal, using Standard Reports.
11. Wholesaler's rebill memo will contain:
 - Original purchase order
 - Original Wholesaler invoice number
 - Original invoice date
 - Itemized listing of the product(s) affected
 - Credit memo associated with the rebill
 - Reason(s) for the rebill (e.g., manufacturer chargeback denial, pricing error, etc.)
 - Net amount due from the MMCAP Infuse Participating Facility
12. In the event of a pricing error which is caused by the Wholesaler and creates a rebill situation not favorable to the MMCAP Infuse Participating Facilities, the Wholesaler will actively pursue any available remedies with suppliers on behalf of MMCAP Infuse Participating Facilities' interests and will seek exceptions to supplier imposed limitations if necessary. In the event that the rebill positively impacts the MMCAP Infuse Participating Facilities' interests, the Wholesaler will automatically generate credit / rebills back to the earliest effective date or the maximum allowed by the supplier.

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. Where non-MMCAP Infuse contracted third party auditing service vendors are involved, said vendor must provide manufacturer approval; Wholesaler is not responsible for carrying out the due diligence of a non-MMCAP Infuse contracted third-party auditor.
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.

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 subject to late fees until the dispute has been resolved and the timing to pay the invoice is within the payment terms applicable to the MMCAP Infuse Participating Facility.

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.

Unless otherwise prohibited by state law, where an MMCAP Infuse Participating Facility disputed invoice is found to be correct, as originally invoiced, the MMCAP Infuse Participating Facility may be liable for interest and penalties, as set forth in Section 4.14 B. Late Payment.

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 with exception to 340B and WAC / Non-GPO pricing. Wholesaler is limited in its ability to provide 340B and WAC / Non-GPO pricing except when authorized by the 340B-eligible member. 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 <http://www.mmd.admin.state.mn.us/MMCAP/Contracts/Default.aspx>

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 where that MMCAP Infuse Participating Facility's applicable state law prohibits the application of fees and/or penalties associated with late payments.

If any MMCAP Infuse Participating Facility fails to comply with the agreed upon payment terms:

1. Wholesaler can prospectively change the service fee discount extended to the MMCAP Infuse Participating Facility to reflect that MMCAP Infuse Participating Facility's actual payment practice;
2. Where there is no law prohibiting late payment fees and/or penalties, the Wholesaler can assess a 1.5% late payment fee or the maximum rate permitted by law on the outstanding balance until paid. The late charge will be assessed on invoices paid past their due date and past due invoices open at the time of monthly assessment of late charges.

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:

1. The MMCAP Infuse Participating Facility notifies the Wholesaler that they would like to utilize an MMCAP Infuse repackaging services contract.

2. Once the Wholesaler is notified, the Wholesaler begins the set-up work with the identified repackaging vendor.
3. 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.)
4. 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.
5. 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.
6. The Wholesaler would set up the new account to have all of the MMCAP Infuse Participating Facility's standard contracts and pricing applied.
7. 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.
8. MMCAP Infuse Participating Facility places their first order through the new repackaging account once fully setup and order-ready.
9. 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.
10. The repackaging vendor then ships the product directly to the MMCAP Infuse Participating Facility via UPS/FedEx.
11. 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 Program product being the only product stocked.

<http://www.mmd.admin.state.mn.us/MMCAP/Contracts/Default.aspx>

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

The fluid warehousing approach as it relates to the rules of engagement between MMCAP Infuse Contract Product Portfolio and the Wholesaler's Generic Drug Program requires strict adherence to the following conditions:

1. The applicable MMCAP Infuse State Contact has not opted out of the Wholesaler's Generic Drug Program.
2. Wholesaler is not allowed to use MMCAP Infuse's contract pricing to calculate its Generic Drug Program Pricing.
3. 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.
4. 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.
5. Wholesaler is required to clearly label any products on its Generic Drug Program as such in its ordering system.
6. Wholesaler is required to identify Wholesaler's Generic Drug Program products as such when Wholesaler reports sales data to MMCAP Infuse.
7. 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. Wholesaler will not be liable for the monthly administrative on the Wholesaler's Generic Drug Program products sold in 340B accounts or WAC accounts. 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
8. 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.
9. 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.
10. 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.
11. Wholesaler will notify all MMCAP Infuse Participating Facilities participating in the Wholesaler's Generic Drug Program and MMCAP Infuse of switches in products covered under the Wholesaler's Generic Drug Program.
12. 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.
13. 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.
14. Wholesaler agrees to stock all MMCAP Infuse Contract Products where the minimum stocking requirement of three (3) units per month per distribution center is met.
15. 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.

16. 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 Drug Program pricing 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 Manufacturer Negotiated Contracts

There will likely be instances where MMCAP Infuse Participating Facilities may enter into manufacturer 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.

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. Emergency customer support and centralized command and control centers
2. Procedures for contacting employees
3. Strong relationships with suppliers to maintain fuel supply in the event of a shortage
4. 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
Purchase Order Number
Invoice date (mmddccyy)
Buyer name or equivalent of buyer ID for person submitting the invoices
Vendor's (distributor) SKU item number

<http://www.mmd.admin.state.mn.us/MMCAP/Contracts/Default.aspx>

Required Data Field Full Name for Sales Data Report
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 WContract Identifier
Admin fee for non-contract items (9999.9999)
Credit Indicator (C for credit)
MMCAP Infuse Assigned Wholesaler Code (Codes will be assigned to Wholesaler's during implementation period of the contract)
Manufacture Name (MFG Name)
Class of Trade
340b Purchase

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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, (New codes will be assigned to PPV's during implementation period of the contract))	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

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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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	9999999999	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<http://www.mmd.admin.state.mn.us/MMCAP/Contracts/Default.aspx>

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 Distribution Center 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

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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 Distribution Center 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 Distribution Center 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)

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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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<http://www.mmd.admin.state.mn.us/MMCAP/Contracts/Default.aspx>

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		

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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
Distribution Center
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
Distribution Center
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:

- Reports detailing total purchases (payment amount and units) by individual item (e.g., NDC, SKU, supplier, generic name, and/or label name);
- Cost savings reports associated with the use of either MMCAP Infuse Contract Products or other alternative contracts (should be compared to relevant retail pricing);
- 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)

0.20% will be paid to MMCAP Infuse on all MMCAP Infuse Member purchases (less any credits and returns) made through the Wholesaler. Distributor Administrative fees related to MDSD product sales are limited to MMCAP Infuse Contract Product sales only.

Exceptions to Distributor Administration Fee:

Distributor Administration Fees will not be paid on

- Prime Vendor 340B Drug Pricing Program or Sales or Prime Vendor DSH sales
- Drop Ship purchases
- Purchases made under designated 340B and WAC accounts.

Distributor Administrative Fees for non-contract sales to WAC accounts (related to 340B split bill accounts) may be made available to MMCAP Infuse upon formal written request by MMCAP Infuse.

OTHER FEES (Payable by MMCAP Infuse Member To Wholesaler)

1. Deliveries

Deliveries	Routine	Emergency
\$0 - \$25,000	1 per week	12 per year
\$25,001 and up	5 per week	12 per year

- a. If a MMCAP Infuse Member requires more deliveries beyond the allotments specified for routine, the Wholesaler will charge an amount not to exceed \$65 per shipment.
- b. If a member requires more deliveries beyond the allotments specified for emergency deliveries, the Wholesaler will pass through the actual cost of the delivery to the MMCAP Infuse Member.
- c. Wholesaler will assess up to a \$65 delivery charge for orders consisting exclusively of items that meet the definition of bulky, OTC's and / or vaccines unless the order is greater than \$1,000. 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 by the supplier.
- e. Wholesaler will pass through delivery charges by the repackager to an MMCAP Infuse Member for products shipped to MMCAP Infuse's contracted repackaging vendor(s).
- 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 MMCAP Infuse Member to ship it and there will be no impairment to the weekly/monthly allotment.

2. Fees for Drop Shipments and Specialty Distribution

- a. Wholesaler will charge up to a 1% fee if Wholesaler receives 1% or less terms from manufacturer on Drop Shipment products. Additionally, any extra fees passed to Wholesaler by the drop-ship supplier, such as extra delivery expenses, will be forwarded to the MMCAP Infuse Participating Facility for payment.
 - b. Wholesaler will charge up to a 1% fee if Wholesaler receives 1% or less terms from specialty distribution provider. Additionally, any extra fees passed to Wholesaler by the specialty distributor, such as extra delivery expenses, will be forwarded to the MMCAP Infuse Participating Facility for payment.
 - c. No fee or mark-up to be applied for MDSD convenience billings.
- * In all cases, MMCAP Infuse Member reserves the right to purchase and pay directly through the drop ship vendor.

3. MMCAP Infuse Service Contracts

Service	Fees
Pharmacy Interfaces	No Charge
Contract Price Audit	No Charge
DSCSA	No Charge
Reverse Distribution	No Charge
Repackaging*	No Charge

*Consolidation of invoicing of the services provided by the repackager will be available to MMCAP Infuse Members only if the repackager provides a separate fee to the Wholesaler under a separate negotiated agreement between the Wholesaler and repackager.

4. Reporting: No Fees applicable to all levels of reporting and analytics.

5. Inventory Support

Inventory Support	Fees
Restocking Fee	None. Returns subject to specific requirements outlined within Attachment D, Wholesaler Saleable Returns Policy
Shelf Labels	No Charge
On-site technology support of physical inventory	Service is not available to accounts purchasing less than \$50,000 per month. Free for accounts purchasing greater than \$50,000 per month; lead time requirement for scheduling onsite support is 30 days. All accounts, regardless of volume, will have access to off-site telephone or webinar support.
Handheld counting units or similar devices	Price per Device <ul style="list-style-type: none"> No Charge, one per facility.

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	-6.09%	-6.59%	-6.84%	-6.94%	-7.04%
15 Day Pre-Pay	-5.91%	-6.41%	-6.66%	-6.76%	-6.86%
7 Day Pre-Pay	-5.82%	-6.32%	-6.57%	-6.67%	-6.77%
Next Day Pay	-5.82%	-6.32%	-6.57%	-6.67%	-6.77%
7 Day Net	-5.73%	-6.23%	-6.48%	-6.58%	-6.68%
15 Day Net	-5.64%	-6.14%	-6.39%	-6.49%	-6.59%
30 Day	-5.39%	-5.89%	-6.14%	-6.24%	-6.34%
45 Day Net	-4.89%	-5.39%	-5.64%	-5.74%	-5.84%
60 Day Net	-4.14%	-4.64%	-4.89%	-4.99%	-5.09%
90 Day Net	-3.14%	-3.64%	-3.89%	-3.99%	-4.09%
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	-7.23%	-7.33%	-7.38%	-7.43%	
15 Day Pre-Pay	-7.05%	-7.15%	-7.20%	-7.25%	
7 Day Pre-Pay	-6.96%	-7.06%	-7.11%	-7.16%	
Next Day Pay	-6.96%	-7.06%	-7.11%	-7.16%	
7 Day Net	-6.87%	-6.97%	-7.02%	-7.07%	
15 Day Net	-6.78%	-6.88%	-6.93%	-6.98%	
30 Day Net	-6.53%	-6.63%	-6.68%	-6.73%	
45 Day Net	-6.03%	-6.13%	-6.18%	-6.23%	
60 Day Net	-5.28%	-5.38%	-5.43%	-5.48%	
90 Day Net	-4.28%	-4.38%	-4.43%	-4.48%	

Other Incentive (included in Service Fee Matrix):

Wholesaler will provide Failure to Supply (FTS) for those MMCAP Infuse Member States and respective MMCAP Infuse Participating Facilities who provide an "opt-in" notification. Since the Service Fee Matrix **includes** the FTS incentive to opt-out, at any time during the Contract if MMCAP Infuse Member States and respective MMCAP Infuse Participating Facilities provides an opt-in notification, the Service Fee Discount will be adjusted. For example if a MMCAP Infuse Member State has a monthly purchase volume of between \$2 and \$4 million, with 30 day net payment terms, the Service Fee Discount for this MMCAP Infuse Member would be adjusted from -6.24% to -6.14%.

Table 2: Annual Volume Incentive:

MMCAP Infuse Volume Per Year*	Additional Service Fee Discount Adjustment
\$0 - \$199,999,999	-3 Basis Points (-0.03%)
\$200,000,000 - \$499,999,999	-6 Basis Points (-0.06%)
\$500,000,000 - \$749,999,999	-9 Basis Points (-0.09%)
\$750,000,000 - \$999,999,999	-12 Basis Points (-0.12%)
\$1,000,000,000 - \$1,999,999,999	-15 Basis Points (-0.15%)
\$2,000,000,000 and Above	-18 Basis Points (-0.18%)

*Total book of business between MMCAP Infuse and Wholesaler

Table 3: State Participation Incentive:

MMCAP Infuse Volume Per Year*	Additional Service Fee Discount Adjustment
5 States	-2 Basis Points (-0.02%)
6 States	-4 Basis Points (-0.04%)
7 States	-6 Basis Points (-0.06%)
8 States	-8 Basis Points (-0.08%)
9 States	-10 Basis Points (-0.10%)
10 States	-12 Basis Points (-0.12%)

*State count does not include partial states. If volume were to be split with another wholesaler, the state would not be included in the count.

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

30 Day Pre-pay: A deposit equal to 30 days purchase value is due by the 25th of the previous month. This deposit will be evaluated and adjusted quarterly based on average monthly purchases for the preceding 90 day purchases. Thereafter, payment is due on or before seven days from the date of invoice.

15 Day Pre-pay: A deposit equal to 15 days purchase value is due by the 25th of the previous month. This deposit will be evaluated and adjusted quarterly based on average monthly purchases for the preceding 90 day purchases. Thereafter, payment is due on or before seven days from the date of invoice.

7 Day Pre-pay: A deposit equal to 7 days purchase value is due by the 25th of the previous month. This deposit will be evaluated and adjusted quarterly based on average monthly purchases for the preceding 90 day purchases. Thereafter, payment is due on or before seven days from the date of invoice.

Next Day Net: Next Day Net means that the buyer will pay Wholesaler in full via EFT or bank wire on or before the next calendar day of when the invoice is received by the buyer.

Seven (7) Day Net: 7 Day Net means that buyer will pay Wholesaler in full on or before the 7th calendar day of when the invoice is received by the buyer.

Fifteen (15) Day Net: 15 Day Net means that buyer will pay Wholesaler in full on or before the 15th calendar day of when the invoice is received by the buyer.

Thirty (30) Day Net: 30 Day Net means that buyer will pay Wholesaler in full on or before the 30th calendar day of when the invoice is received by the buyer.

Forty-Five (45) Day Net: 45 Day Net means that buyer will pay Wholesaler in full on or before the 45th calendar day of when the invoice is received by the buyer.

Sixty (60) Day Net: 60 Day Net means that buyer will pay Wholesaler in full on or before the 60th calendar day of when the invoice is received by the buyer.

Ninety (90) Day Net: 90 Day Net means that buyer will pay Wholesaler in full on or before the 90th calendar day of when the invoice is received by the buyer.

If any of the above-specified Payment Term due dates fall on a weekend day or local, state, or federal holiday, payment shall 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 Agreement, an MMCAP Infuse Member may change its manner of paying Wholesaler upon thirty (30) calendar 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.

Invoice disputes are addressed in Attachment A Scope of Work 4.13 Invoicing, G. Invoice Disputes.

Late payments are addressed in Attachment A Scope of Work 4.14 Verification of Authorized Purchasers and Late Payment, B. Late Payments.

Wholesaler will apply service fee discounts to all emergency deliveries.

Service fee discounts will be applied to MMCAP Infuse Contract Products that also meet the definition of Bulky Products including MMCAP Infuse contracted nutritionals, MMCAP Infuse contracted large volume parenterals and MMCAP Infuse contracted IV fluids. 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.

Service fee discounts will not be applied to MMCAP Infuse Contract Products that are drop shipped.

Table 4: Service Fee Discount Exceptions

Product	Service Fee Discount
Non-Contract Specialty Items (not distributed through MDSD)*	-2.50%
Non-Contract Bulky	0.0% (billed at cost)

For MMCAP Infuse Member States that have total monthly purchases in the categories outlined as Non-Contract Specialty Items (not distributed through MDSD) that are fifteen percent (15%) or greater than the MMCAP Infuse Member State's total monthly purchases, the Service Fee Discount Exception (-2.50%) will apply. If total purchases in the categories outlined as Non-Contract Specialty Items (not distributed through MDSD) are less than fifteen percent (15%) the MMCAP Infuse Member State's total monthly purchases, the service fee discount as outlined in the Service Fee Discount Pricing Matrix will remain in effect.

Wholesaler will review purchases quarterly and calculate the MMCAP Infuse Member's State purchase ratio based on the monthly average over the preceding three-month period. For MMCAP Infuse Member State's purchasing from the wholesaler for the first time or at the inception of a new agreement, historical utilization will be used to determine the Service Fee Discount Exceptions for Non-Contract Specialty Items (not distributed through MDSD).

* Non-Contracted branded and biosimilar prescription pharmaceutical products included under the American Hospital Formulary Service ("AHFS") Drug Classifications for the following:

- Antineoplastics: 100000
- Antiretrovirals: 081808
- HCV antivirals: 081840
- Hemostatics: 202816
- GI drugs, miscellaneous: 569200
- Disease-modifying antirheumatic agents: 923600
- Immunomodulatory agents: 922000
- Immunosuppressants: 924400
- Pituitary: 682800
- Skin and mucous membrane agents, misc: 849200

Table 5: 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 and Non-Contract products that are Drop Shipped		X
MMCAP Infuse Contract Product for which due to Wholesaler stocking error, must be Drop Shipped to meet the critical needs of the MMCAP Infuse Member	X	
Wholesaler's Generic Source Program	X	
Non-Contract (Generic/Brand)	X	
Non-Contract Bulky Products		X
Non-Contract Specialty Items (see Table 5)		X
Products distributed by MDSD (Specialty Drugs)		X

All changes to the MMCAP Infuse Service Fee Matrix will be communicated to MMCAP Infuse in writing with a minimum of five (5) business days' notice. Wholesaler service fees may only change on a quarterly or less frequent basis. The only exception to this provision is if the MMCAP Infuse Member is not currently contracting with Wholesaler for the services set forth in Attachment A, and the MMCAP Infuse Member's or MMCAP Infuse Member's state has a provision which does not allow for payment of service charges for late payment. In this event, the MMCAP Infuse Member's or MMCAP Infuse Member's service fee will be updated after 30 days of service based on average days payment over the first 30 days of service.

Wholesaler will adjust MMCAP Infuse Members' Service Fee four times annually within 30 calendar days after the close of each fiscal quarter, based on the State's average monthly net purchase volume during the applicable fiscal quarter (e.g., Service Fees based on January through March purchases must be changed by April 30). Wholesaler adjustments to Service Fees to align payment terms with each MMCAP Infuse Member's actual payment practices will not be restricted. 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. Failure to comply will constitute material breach of the Contract.

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.



Returned Goods / Direct Supplier Credits

Policy

REQUIREMENTS

- All returned products must be purchased from the Morris & Dickson distribution center, and returned electronically via the M&D Web Portal.
- There will be no associated fees charged for the following returns, with credit amounts issued at 100%:
 - a. Products returned due to Wholesaler error (e.g., incorrect item or quantity).
 - b. Products received through the Wholesaler with visible or concealed damages.
 - c. Products received through the Wholesaler but without appropriate temperature-controlled packaging.
 - d. Recalled products, regardless of level of recall.
 - e. Products received through the Wholesaler that have less than six (6) months shelf life dating at the time of receipt from the Wholesaler, unless otherwise authorized in writing by the MMCAP Infuse Member.

Order shortages, filling errors and damaged shipments must be reported within three (3) business days of the occurrence and returned within ten (10) business days of the original invoice date. Products must be returned in original condition with no defects or adulteration in packaging or labeling. Wholesaler will not hold credits owed to ordering customer from manufacturers in arrears with Wholesaler.
- Morris & Dickson does not accept partial bottles or packages for return. Product must be unopened with seals intact and otherwise not adulterated. (We do however work with many of the partial return companies to issue credits.)
- Morris & Dickson does not accept drop ship product for return.
- All products accepted for return by Morris & Dickson will be credited within 15 working days from date goods are received.
- Credits shall not exceed purchase price.
- All refrigerated or non-refrigerated products must be returned under proper storage and shipping conditions per PDMA/FDA/Manufacturer requirements. No additional fees on products that are handled properly. If product is returned in unsuitable condition, no credit will be granted.
- Morris & Dickson will not accept product for return if designated "non-returnable". A list of non-returnable items is available upon customer request.
- Morris & Dickson will exercise caution before accepting returns designated "extreme risk" for counterfeiting. For those items that fall outside the "non-returnable" category, Morris & Dickson will maintain sole discretion of accepting return. Salesperson authorization required, as well as conclusive verification the item was purchased from Morris & Dickson.



- Morris & Dickson will not accept "special ordered" product for return. Special order is defined as any order Morris & Dickson makes with a manufacturer to satisfy a specific customer's order request.
- Morris & Dickson will not accept returns from a contract pharmacy unless product is shipped in error or damaged during shipment. Product must be reported to Morris & Dickson as such, and returned within two days of receipt.
- Returns will be picked up by Morris & Dickson Monday through Wednesday. Return product will not be picked up Thursday through Saturday – in effort to protect product integrity.
- Credit will be as follows:

Returns Made Within:	Credit Amount:
1 - 90 Calendar Days from Invoice Date	Credit at 100% of Invoice Amount
91 – 180 Calendar Days from Invoice Date	Credit at 85% of Invoice Amount
181 - 365 Calendar Days from Invoice Date	Credit at 70% of Invoice Amount
Returns Greater than 365 Calendar Days from Invoice Date	Same provisions as out of date policy (see below)

Outdates:

- Outdates are defined as expired or products with less than seven (7) months dating.
- Credits will be issued at the lower of:
 - a. purchase price less 25% less manufacturer processing fee
 - b. manufacturers authorized credit amount

DIRECT MFG CREDITS

- Manufacturer credit will be passed on to the customer for convenience credit categories not related to distribution services. Types of convenience credit categories affected may include drop ship credits, reverse distribution credits, supplemental mfg program credits, mfg rebates, and sharebacks.

AMENDMENT NO. 1 TO MMCAP INFUSE CONTRACT NO. MMS1900115

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 Morris & Dickson, Co, LLC a limited liability company with the designated business address 410 Kay Lane, Shreveport, Louisiana 71115 ("Wholesaler").

RECITALS

WHEREAS, MMCAP Infuse and Wholesaler have executed contract MMS1900115 that will be effective on November 1, 2019 ("Original Contract");

WHEREAS, MMCAP Infuse and Wholesaler 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 Original Contract 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 Wholesaler and MMCAP Infuse.

Revision 1: When fully executed, Section 34.2.4 of the Original Contract will be amended as follows:

34.2.4 Delivery Delays. Deliveries shall be made by the WHOLESALER in accordance with the time schedules specified in Attachment A or as otherwise agreed upon by the WHOLESALER and MMCAP Infuse Member. Where delivery is delayed, WHOLESALER shall credit to the MMCAP Infuse 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 MMCAP Infuse Member within fourteen (14) calendar days of the original delivery date. WHOLESALER shall not be responsible for paying the aforementioned fee for delays outside of its control.

Revision 2: When fully executed, Section 4.2 of Attachment A of the Original Contract will be amended as follows:

4.2 Service Area

As of the Contract effective date, Wholesaler will provide services and products agreed upon in this Contract to MMCAP Infuse Participating Facilities and/or MMCAP Infuse Members- within the contracted service area as specified by this Contract. Wholesaler must provide services to all MMCAP Infuse Participating Facilities within a state (not partial service coverage).

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

Wholesaler may service other MMCAP Infuse states, including states outside the Wholesaler's service coverage, if the MMCAP Infuse Member State is willing to accept applicable operational constraints and associated costs specified as an amendment. Service capabilities are dependent on Wholesaler obtaining appropriate licenses within the state.

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

- i. State of Kansas
- ii. State of Louisiana
- iii. State of Mississippi

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

WHOLESALE: MORRIS & DICKSON CO., 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: Mike Casida
Signature: [Signature]
Title: Senior Director, Health Systems
Date: 10/21/19

**STATE OF MINNESOTA FOR MMCAP
INFUSE**

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

Name: Jane R. Bell
Signature: [Signature]
Date: Oct 21, 2019

COMMISSIONER OF ADMINISTRATION

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

Name: Jennifer VandenPlaat
Signature: [Signature]
Date: 10/21/2019

AMENDMENT NO. 2 TO MMCAP INFUSE CONTRACT NO. MMS1900115

THIS AMENDMENT NO. 2 ("**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 Morris & Dickson, Co, LLC a limited liability company with the designated business address 410 Kay Lane, Shreveport, Louisiana 71115 ("**Wholesaler**").

RECITALS

WHEREAS, MMCAP Infuse and Wholesaler entered into MMS1900115 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 October 21, 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: The following Members will be added to Section 4.2(A) of Attachment A of the Agreement, effective as of February 1, 2020:

- i. State of Oklahoma, excluding Members under the University of Oklahoma system

Revision 2: When fully executed, Section 4.10(A)(4) of Attachment A of the Agreement will be deleted in its entirety and replaced with the following:

- 4. Wholesaler will provide delivery services based on average monthly purchasing volume as summarized below. Scheduled delivery days will be communicated at setup.

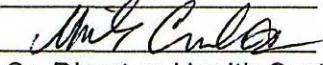
Average Monthly Purchasing Volume	Number of Free (No-Charge) Deliveries per Week
\$0 - \$9,999	1 / week
\$10,000 - \$25,000	3 / week
\$25,001 and up	5 / week

[End of Amendment; Signature Page Follows]

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



WHOLESALE: MORRIS & DICKSON CO., 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: Mike Casida
Signature: 
Title: Sr. Director, Health Systems
Date: 1/27/2020

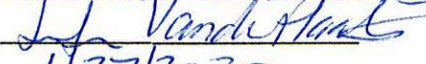
**STATE OF MINNESOTA FOR MMCA
INFUSE**

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

Name: 
Signature: 
Date: Jan 27, 2020

COMMISSIONER OF ADMINISTRATION

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

Name: Jennifer Vanderploeg
Signature: 
Date: 1/27/2020

<http://www.mmd.admin.state.mn.us/MMCAP/Contracts/Default.aspx>**AMENDMENT NO. 3 TO MMCAP INFUSE CONTRACT NO. MMS1900115**

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 Morris & Dickson, Co, LLC a limited liability company with the designated business address 410 Kay Lane, Shreveport, Louisiana 71115 ("**Wholesaler**").

RECITALS

WHEREAS, MMCAP Infuse and Wholesaler entered into MMS1900115 on November 1, 2019 ("**Original Contract**");

WHEREAS, MMCAP Infuse and Wholesaler amended certain terms and conditions of the Original Contract by the way of Amendment 1 on October 21, 2019; Amendment 2 on January 27, 2020; together, Original Contract and Amendments 1 and 2 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.

Modifications:

Revision 1: Section 1.2 of the Agreement will be revised as follows:

- 1.2 **Expiration date:** October 31, ~~2024~~ 2022, or until all obligations have been satisfactorily fulfilled, whichever occurs first. The Contract may be extended for up to an additional ~~three (3)~~ two (2) years, at increments determined by MMCAP Infuse, on written acceptance by both parties, for a total term not to exceed five (5) years.

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

[End of Amendment; Signature Page Follows]

Accurate as of March 11, 2021

The most current version

<http://www.mmd.admin.state.mn.us/MMCAP/Contracts/Default.aspx>

MMS1900115

Amendment 3

Tendered: March 10, 2021

WHOLESALE: MORRIS & DICKSON CO., 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: Mike Casida
Signature: Mike Casida
Title: Sr. Director, Health Systems
Date: 03/10/2021

Digitally signed by Mike Casida
Date: 2021.03.10 12:24:16 -06'00'

**STATE OF MINNESOTA FOR MMCAP
INFUSE**

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

Name: Jennifer Vanderplaats
Signature: Jennifer Vanderplaats
Date: 3/10/2021

DocuSigned by:

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COMMISSIONER OF ADMINISTRATION

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

Name: Debra A. L. Burandt
Signature: Debra A. L. Burandt
Date: 3/10/2021

DocuSigned by:

867A46D798B9475...

[Signature Page]