



Contract Number

21-7410

SAP Number

TBD

Purchasing Department

Department Contract Representative	Ariel Gill
Telephone Number	(909) 777-0722
Contractor	Medline Industries, LP
Contractor Representative	John Abele
Telephone Number	415-601-5646
Contract Term	October 26, 2021 – October 25, 2029
Original Contract Amount	\$240,000,000.00 (\$30 Million Annually)
Amendment Amount	
Total Contract Amount	
Cost Center	

IT IS HEREBY AGREED AS FOLLOWS:

WHEREAS, San Bernardino County ("County" or "Provider") desires to contract for Medical/Surgical Supply Distribution and Just in Time (JIT) inventory management; and

WHEREAS, the County conducted a competitive process to find Medline Industries, LP ("Contractor", "Medline" or "Supplier") to provide these services, and

WHEREAS, the County finds Contractor qualified to provide Medical/Surgical Supply Distribution and JIT inventory management; and

WHEREAS, the County desires that such services be provided by Contractor and Contractor agrees to perform these services as set forth below;

NOW, THEREFORE, the County and Contractor mutually agree to the following terms and conditions:

A. DEFINITIONS

A.1 3PL: A third party warehouse or storage facility.

A.2 Arrowhead Regional Medical Center (ARMC): A department of the County denominated San Bernardino County Medical Center, also known as Arrowhead Regional Medical Center.

- A.3 Bulk: Anything ordered from the Distributor in large quantities that do not meet the definition of Lowest Unit of Measure. In addition, Bulk is further subdivided into carve-out categories for: (a) Sutures and Endo-mechanicals, (b) Custom Surgical Packs, and (c) Solutions.
- A.4 CMS: The Centers for Medicare and Medicaid Services.
- A.5 DED: Demand estimate document used to confirm vendor, part number, usage, and pricing when new items are requested for distribution.
- A.6 Electronic Data Interchange (EDI): The electronic interchange of business information using a standardized format; a process which allows one entity to send information to another entity electronically rather than with paper.
- A.7 Fill or Kill: If the order is not filled in the next day delivery, then it is terminated and ordered again after scanning on the next day's count.
- A.8 Fill Rate: Percentage of County or consumption orders satisfied from stock at hand.
- A.9 Hospital: ARMC and including its offsite centers and clinics.
- A.10 Just In Time Inventory (JIT): A strategy to reduce waste by receiving goods as needed through an inventory management system.
- A.11 Lowest Unit of Measure (LUM): Any delivery that is broken down at the distributor, picked and packed in a tote. Usually measured by "each", but may sometimes be larger packaging quantities, if deemed optimal (e.g. box); cases are usually not considered LUM. Items are available in multiple units of measure.
- A.12 Par Optimization: The process by which ARMC and Contractor assess appropriate medical/surgical item quantities by location, making changes as needed.
- A.13 PPE: Personal protective equipment.
- A.14 STAT Request: An emergency order placed with expedited delivery.

B. CONTRACTOR RESPONSIBILITIES

- B.1 Provide appropriate personnel to County to perform services, including but not limited to:
- One (1) Account Manager responsible for Contractor branded products quotes, product samples, pricing management, product alternatives, cost savings opportunity identification, and sponsored initiatives and operational effectiveness.
 - One (1) Dedicated Service Manager responsible for customer service duties and coordinating order processing, RGA/credit processing, backorder resolution, pricing change notifications, new item processing, usage review, insight reports, invoice discrepancies, price assurance reporting and resolution, and cross referencing/new item research.
 - One (1) Prime Vendor Analyst responsible for loading of DEDs to manage proper inventory levels, managing price assurance, managing price change notifications, managing conversions, locating product savings opportunities, and supporting product sample provisions for departments.
 - One (1) Onsite Supervisor responsible for managing all Contractor onsite FTEs, customer service, and STAT Requests.

- Thirteen (13) full-time, onsite employees responsible for receiving, distribution, and inventory management.
- One (1) Project Specialist responsible for supporting and managing special requests.

Contractor shall add or reduce the number of FTEs onsite based upon requests in writing by County and mutual agreement between Contractor and County.

- B.2** Payment of salaries and labor-related expenses for personnel known as administrative services outlined in Attachment A will be billed at \$59,750.00 per month with an annual adjustment not to exceed 4% to address cost of living and wage increases. Pricing is for the term of the Contract (applicable taxes included). Contractor shall invoice the County on a monthly basis. Additional departments can be managed or expanded on (Lab, OR, etc) at a cost of \$5,057.29 / month / additional person needed plus any cost of living increases that have been implemented at the time of implementation. Annual adjustments not to exceed 4% will be assessed to address cost of living and wage increases.
- B.3** Ensure that all personnel abide by all behavioral, dress code, and other policies of the County, including a pre-employment background check and a drug screen with verification of results. Contractor agrees to certify that all employees who will render service to County will have undergone appropriate pre-employment background check and drug screen.
- B.4** Supply the County, current clinics, and County entities currently receiving services from Contractor, on a direct basis with a two bin Kanban system. Contractor shall utilize durable, side-handled, interlocking lid, plastic tote bins for delivery of its low unit of measure product to a given facility. These bins shall be stackable and palletized for delivery and shall be nested when emptied for return to Contractor. All tote bins shall be free of dirt and dust to protect supplies. Contractor shall clean all totes and delivery system before each delivery. The totes shall be clearly identified for the specific delivery location by an ID tag secured to the outside of the container. Migration to or testing of new delivery systems must be mutually agreed upon by Contractor and the County prior to implementation.
- B.5** Furnish deliveries to the County prior to 5:00 AM on a daily basis, including weekends and holidays. All deliveries shall be FOB destination. Delivery changes and insurance risks will be the sole responsibility of the Contractor. Contractor's trucks or common carriers shall make all regular deliveries. Contractor shall exercise all practical means available to notify the County as soon as possible of non-availability of an ordered item upon receipt of the order.
- B.6** Provide to the County monthly, both a consolidated and comprehensive invoice including: identification of the Department; appropriate product expense code numbers; appropriate product identification numbers; descriptions, units of measure, unit purchase price and total units purchased. Additionally, contractor shall provide to the County a Contract price report, ABC analysis report (ARMC's 80/20 high volume report for items purchased), report with price changes, physical inventory on-hand, and monthly backorder report.
- B.7** Provide the County with thirty (30) days written notice of price changes, and will not substitute any product without prior approval from the ARMC's Nursing Supply Council. Contractor will work with the County to develop an acceptable alternate source listing. In the event the contractor is unable to supply a Contract item ordered or an acceptable equivalent due to the fault of the Contractor, Contractor will reimburse the County the difference between the Contract cost and the account acquisition cost, not exceeding 110% of the Contract item purchase price hereunder, and thirty (30) days' usage. These charges should be specific to the situation.

- B.8** Provide for and participate in County programs including, but not limited to, Manufacture Safety Data Sheet (MSDS) acquisitions and performance improvement activities.
- B.9** Maintain dedicated inventory levels of products at a 99% or higher Fill Rate, in Contractor's warehouse for the County, with at least a 30-day supply for stock products.
- B.10** Use a first-in-first-out (FIFO) system for the rotation of stock product in Contractor's warehouse to the County. Contractor will specifically trace all custom assembled sterile products by lot numbers further utilizing the FIFO system.
- B.11** Assist the County with problems concerning errors, returns and/or credits with supplies and with product recall notices and alerts.
- B.12** In the event of an emergency, whether a natural or man-made situation, Contractor shall be prepared to take immediate and varied actions to support the supply needs of the County. Contractor shall submit to the County a copy of its current disaster plan, which shall be subject to the approval of the County's Materiel Manager.
- B.13** Affix patient charge labels to appropriate products, which may be removed and re-affixed directly to a patient's charge for use by County and patient billing to the extent reasonably requested. Contractor will assume full responsibility for the maintenance and printing of said labels to the specific design of County.
- B.14** Maintain sufficient inventory to meet the Fill Rate guidelines of ninety-eight percent (98%) on all Bulk accounts and ninety-nine (99%) on all low unit of measure accounts. Contractor will utilize reserve inventory program to insure high Fill Rates. This program requires the transfer of accurate data between the parties. If at fault, Contractor will agree to compensate County for any costs associated with the procurement of any item at a higher price from another vendor. It will be the responsibility of County to acquire all non-moving inventory specifically purchased for the program. Contractor will guarantee that line item invoicing pricing will be completely accurate.
- B.15** Stock locally all Contract products and Medline Products. Contractor agrees to stock such amounts of Medline Products as County reasonably determines is necessary to satisfy the usage requirements of County.
- B.16** The current County service program requires seven-day-a-week delivery. Any modification to this program will be amended accordingly. Contractor shall notify County as soon as it becomes aware that one or more of the County items is or will be on back order pursuant to this Contract or otherwise will be unavailable for shipment to County.

Contractor shall assume overall responsibility of JIT program at the County seven (7) days a week, three hundred, sixty-five (365) days a year, including requests for urgent-special deliveries within a four (4) hour time period.

- B.17** Freight Terms are FOB destination, risk of loss passes on delivery on all stock products located at County's primary branch; for combined scheduled shipments per class of trade and order minimum schedule below. Freight charges will be added without mark-up to emergency overnight shipments and stock Products where usage is in excess of one hundred twenty-five percent (125.00%) of communicated forecast which are required to be stock transferred or shipped overnight, and to any Product that is not stocked for the County in their primary branch. Notwithstanding any other agreement, term or condition or transaction document between the parties, manufacturer drop ship charges and FOB shipping point terms of distributed manufacturers (e.g., inbound freight charges, actual amount or factored, paid by Contractor) will be assessed by Contractor to the County, together with all other applicable freight charges.

Class of Trade	FOB Destination Order Volume Minimum
Acute Care	\$750.00
Acute Care – Critical Access	\$500.00
Ambulatory Surgery Center	\$500.00
Laboratory	\$250.00
Physician Office/Clinic	\$150.00
Post-Acute/Long Term Care	\$500.00
Home Care /Patient Home Direct	To be negotiated under separate agreement

- B.18** Contractor will be responsible for providing tote bins for those special delivery programs requiring them in compliance with CMS and all other regulatory agencies. Each tote bin shall be packaged and clearly marked with a format agreed to by County. All tote bins shall be dirt-free and dust-free to protect supplies. All Contractor totes have interlocking lids to accommodate tacking and a dust free environment.
- B.19** Contractor shall provide palletized, U-boat, or other form deliveries of product to locations as specified by County in Contractor vehicles and by Contractor drivers.
- B.20** Contractor will notify County, when its suppliers make any product recall. Contractor and/or the manufacturer will be responsible for all return freight incurred. Full credit will be given to County within sixty (60) days of Contractor's receipt of the manufacturer's credit.
- B.21** Contractor will make reports available in a usable electronic format to County by the 15th day of the month following the prior month's activities. Sales of each and all products purchased shall be broken down as follows:
- Contract
 - Non-contract
 - Electronic Data Interchange (EDI) activity for 810 and 832 as applicable

Service level report (by account, total Hospital and by vendor) must specify:

- Item Fill Rate– unadjusted
- Overall Fill Rate – unadjusted
- Service level report (manufacture)

Quarterly Utilization Report must specify:

- Quarterly par level/unit with pricing report
- Bi-annual utilization report with pricing

Weekly Report:

Supply Disruption Report

Daily Report must specify:

- Previous day's orders (must be in spreadsheet format)
- Fill or Kill for previous day's orders (must be in a spreadsheet format)

- B.22** Manage and maintain item masters on behalf of County. Contractor shall work with County to incorporate item masters into ARMC's Electronic Health Record System.
- B.23** Manage and maintain on-hand standards regarding Par Levels. Contractor shall evaluate Par Levels every 6 months and make adjustments as needed.

- B.24** Collaborate with County to implement and maintain a single source distributor model to a level mutually agreed upon by the parties, optimize the supply chain, and drive clinical product standardization.
- B.25** Continue collaboration with the County to streamline supply management across all stocking locations. Contractor shall work with department managers to perform a Par Optimization to identify fast or slow moving items. Upon completion, Contractor shall transition fully to a 2-Bin/Kanban model.
- B.26** Provide spot buys of PPE to support spikes in usage. Contractor shall communicate PPE available for spot buy to the County on an as needed basis.
- B.27** Provide logistical support and recommend best practices to increase efficiency, including without limitation:
- Enhanced "Put-Away Ready" Bulk
 - Enhanced "Put-Away Ready" LUM
 - 3PL for Receipt, Storage, and Distribution of County owned material
 - Bulk Buy Opportunities
 - Par Level Optimization / Best Unit of Measure
 - Order / Delivery Time Optimization
 - Suture & Endo-Mechanical Management
 - Corrugate De-Casing
 - Perioperative Lean Services

Any changes to existing systems or procedures must be agreed upon by Contractor and the County prior to implementation.

- B.28** Contractor shall provide the County with access to InSight, Tableau or any other reporting capabilities offered by Contractor and maximize the use of purchasing data, Tableau, and InSight reporting to drive supply chain efficiency.
- B.29** Manage price integrity through Contractor's "Price Assurance" program and reduce backorder issues through Contractor's "Proactive Backorder Report" and "Spike Report."
- B.30** If requested, work with County to develop a dedicated service center for County within the Contractor distribution center. The dedicated service center would not exceed 30,000 square feet of space and may be adjusted as needed within the threshold. Contractor would provide adequate staff to manage the dedicated service center on County's behalf. Pricing for this service would be quoted based upon the specific requirements requested. Services performed in the dedicated service center would include but not be limited to:
- Centralized receiving and cross dock services
 - Centralized pharmacy
 - Centralization of low use / slow moving items
 - Inter facility pick up and delivery services
 - 3PL for receipt, storage, and distribution of County owned material
 - Recycling
 - Surgical case picking
 - Centralized sterile processing
 - Pandemic cache
 - Reprocessing
- B.31** Provide quarterly rebates to County based on sales and sales growth. Contractor shall offer a 1.25% rebate on all acute sales for the first 12 months of the Contract. Thereafter, Contractor shall offer a 3% rebate on year-over-year Contractor sales growth.

The rebate tracking period will be based on a twelve month schedule beginning on the Effective Date of this Agreement.

Net rebates greater than \$1,000 per payment will be paid in the form of a credit or direct payment. Net rebates less than \$1,000 per payment will be paid in the form of a credit only to the Provider's account.

Contractor will pay rebates through this Contract and all standard GPO fees of which County is a member. Should the GPO offer programs requiring additional administrative fees for standardization or compliance, Contractor will count the sales of those specific Product categories toward the overall sales volume goals. For those categories of Products hereunder for which Contractor is a contracted vendor with County's designated GPO, and for which Contractor pays any fee or rebate in addition to the basic administration fee (e.g. GPO "standardization" fees, renewal fees), Contractor shall not pay rebates on such spending.

Product signed as received through a proof of delivery and shown as decremented from Contractor inventory but claimed as not received by the County will not be counted toward the rebate volume. All of County's accounts with Contractor must have been current during the entire rebate period in order for County to qualify for the rebate. Invoices in dispute, that County notified Contractor about in writing within thirty (30) days of invoice date, will not be counted as past due for rebate purposes. Contractor reserves the right to off-set any rebate against any outstanding and overdue account balance and surplus inventory as defined in the Surplus Products Policy section of this Agreement. At a minimum, Contractor will deduct outstanding invoices sixty (60) days or greater past payment terms. Additionally, Contractor reserves the right to off-set any rebate to pay for "value added" services, accessories, and software for which a Contractor determines a reasonable charge must be assessed. If no rebate is earned or the rebate is not sufficient to satisfy the value added charges, County shall pay Contractor directly for the charges, within thirty (30) days of Contractor's invoice for such charges. At the conclusion of each rebate period, County shall receive a statement itemizing any such set offs and charges.

Provider's spending on: (i) Medline Renewal reprocessing (Supplier's single-use device reprocessing service), (ii) pharmaceuticals (including but not limited to brand and generic prescription medication, biologics, vaccines, and over-the-counter medication, vitamins, or supplements), and (iii) patient plastics (plastic items used for a patient's well-being, including but not limited to bed pans, urinals, wash basins, medicine cups, water pitchers, drinking cups, and food trays) will be used to calculate Provider's achievement of all rebate goals hereunder, but Supplier shall not pay rebates on such spending.

B.32 Provide 5% aggregate savings on new Medline Brand Product conversions.

B.33 Supplier will distribute Products at the following fee schedule in accordance with the terms of this Agreement. Provider agrees to purchase at least ninety-five percent (95.00%) of its Distributable Product requirements. Provider will be Slotted at Tier 3 Mark-Ups for the first 24 months of the contract, thereafter, Medline Brand ratio will be reviewed annually and adjusted accordingly

Tier Requirements	Tier 1	Tier 2	Tier 3	Tier 4
Medline Brand % of Overall Purchases	25%	30%	40%	50%
Acute Care Distribution				

Medline Brand - Bulk	-1.00%	-1.50%	-2.00%	-2.50%
Non-Medline Brand Contract – Bulk	1.25%	0.75%	0.50%	0.25%
Suture and Endo	0.50%	0.50%	0.50%	0.25%
Low-Unit-of-Measure (LUM) on carts put-away-ready (Additive)	3.00%	2.75%	2.50%	2.25%
Laboratory Distribution				
Laboratory Mark-Up	Matches Acute	Matches Acute	Matches Acute	Matches Acute
Continuum of Care				
**Physician Office/Clinics/EMS Desk-top Delivery (Additive to Bulk & LUM Mark-Up)	3.00%	3.00%	3.00%	3.00%

- Lab distribution fees outlined above are in return for Medline being designated as the lab prime vendor distributor.

B.34 Surplus Product. Supplier is bringing Products in specifically to Provider’s primary branch and specifically for Provider, Supplier reserves the right to implement the following for any Product which after ninety (90) days has not been ordered:

- B.34.1** Sell Products to other established accounts serviced from the same primary branch, or
- B.34.2** Stock transfer Products to other established accounts (Provider would be responsible for any associated freight and stock transfer fees), or
- B.34.3** Invoice Provider under the purchase order “SURPLUS” unless a separate purchase order is provided for any quantity of goods which after ninety (90) days have not been ordered by Provider, or
- B.34.4** Return the Products and assess Provider any restocking or freight charges that Supplier would incur by returning the Products to the manufacturer.

Provider will be responsible for a maximum sixty (60) days inventory except for any custom manufactured Products solely for Provider. For custom Products Provider will be responsible for full inventory unless notification provided from manufacturing vendor.

C. GENERAL CONTRACT REQUIREMENTS

C.1 Recitals

The recitals set forth above are true and correct and incorporated herein by this reference.

C.2 Contract Amendments

Contractor agrees any alterations, variations, modifications, or waivers of the provisions of the Contract, shall be valid only when reduced to writing, executed and attached to the original Contract and approved by the person(s) authorized to do so on behalf of Contractor and County.

C.3 Contract Assignability

Without the prior written consent of the County, the Contract is not assignable by Contractor either in whole or in part.

C.4 Contract Exclusivity

This is not an exclusive Contract. The County reserves the right to enter into a contract with other contractors for the same or similar services. The County does not guarantee or represent that the Contractor will be permitted to perform any minimum amount of work, or receive compensation other than on a per order basis, under the terms of this Contract. All County orders are subject to acceptance by Contractor.

C.5 Attorney's Fees and Costs

If any legal action is instituted to enforce any party's rights hereunder, each party shall bear its own costs and attorney fees, regardless of who is the prevailing party. This paragraph shall not apply to those costs and attorney fees directly arising from a third-party legal action against a party hereto and payable under Indemnification and Insurance Requirements.

C.6 Background Checks for Contractor Personnel

Contractor shall ensure that its personnel (a) are authorized to work in the jurisdiction in which they are assigned to perform Services; (d) do not use legal or illegal substances in any manner which will impact their ability to provide Services to the County; and (c) are not otherwise disqualified from performing the Services under applicable law. If requested by the County and not in violation of applicable law, Contractor shall conduct a background check, at Contractor's sole expense, on all its personnel providing Services. If requested by the County, Contractor shall verify in writing that an individual assigned to perform the Services meets Contractor's standards for employment. Such background check shall be in the form generally used by Contractor in its initial hiring of employees or contracting for contractors or, as applicable, during the employment-screening process but must, at a minimum, have been performed within the preceding 12-month period. Contractor personnel who do not meet the County's hiring criteria, in County's sole discretion, shall not be assigned to work on County property or Services, and County shall have the right, at its sole option, to refuse access to any Contract personnel to any County facility.

C.7 Change of Address

Contractor shall notify the County in writing, of any change in mailing address within ten (10) business days of the change.

C.8 Choice of Law

This Contract shall be governed by and construed according to the laws of the State of California.

C.9 Compliance with County Policy

In performing the Services and while at any County facilities, Contractor personnel (including subcontractors) shall (a) conduct themselves in a businesslike manner; (b) comply with the policies, procedures, and rules of the County regarding health and safety, and personal, professional and ethical conduct;; and (c) abide by all laws applicable to the County facilities and the provision of the Services, and all amendments and modifications to each of the documents listed in subsections (b) and (c) (collectively, "County Policies"). County Policies, and additions or modifications thereto, shall be communicated in writing to Contractor or Contractor personnel or may be made available to Contractor or Contractor personnel by conspicuous posting at a County facility, electronic posting, or other means generally used by County to disseminate such information to its employees or contractors. Contractor shall be responsible for the promulgation and distribution of County Policies to Contractor personnel to the extent necessary and appropriate.

County shall have the right to require Contractor's employees, agents, representatives and subcontractors to exhibit identification credentials issued by County in order to exercise any right of access under this Contract.

C.10 Confidentiality

Pursuant to the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Health Information Technology for Economic and Clinical Health (HITECH) Act, regulations have been promulgated governing the privacy of individually identifiable health information. Contractor acknowledges that County is a covered entity and subject to the requirements of HIPAA and HITECH, and their implementing regulations. Contractor agrees to fully comply with the applicable terms of HIPAA and HITECH, and regulations promulgated thereunder, and to ensure any Subcontractors utilized to fulfill Services pursuant to this Contract comply with said provisions. Contractor further agrees to comply with the requirements of all other applicable federal and state laws that pertain to the protection of health information.

C.11 Primary Point of Contact

Contractor will designate an individual to serve as the primary point of contact for the Contract. Contractor or designee must respond to County inquiries within two (2) business days. Contractor shall not change the primary contact without written acknowledgement to the County. Contractor will also designate a back-up point of contact in the event the primary contact is not available.

C.12 Intentionally Omitted.

C.13 County Representative

The Purchasing Director or his/her designee shall represent the County in all matters pertaining to the services to be rendered under this Contract, including termination and assignment of this Contract, and shall be the final authority in all matters pertaining to the Services/Scope of Work by Contractor. If this contract was initially approved by the San Bernardino County Board of Supervisors, then the Board of Supervisors must approve all amendments to this Contract.

C.14 Damage to County Property

Contractor shall repair, or cause to be repaired, at its own cost, all damages to County vehicles, facilities, buildings or grounds caused by the willful or negligent acts of Contractor or its employees or agents. Such repairs shall be timely commenced after Contractor becomes aware of such damage, but in no event later than thirty (30) days after the occurrence.

If the Contractor fails to make timely repairs, the County may make any necessary repairs. If Contractor was responsible for such repairs, Contractor shall repay all costs incurred by the County for such repairs, by cash payment upon demand.

C.15 Debarment and Suspension

Contractor certifies that neither it nor its principals or subcontracts is presently disbarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency. (See the following United States General Services Administration's System for Award Management website <https://www.sam.gov>). Contractor further certifies that if it or any of its subcontractors are business entities that must be registered with the California Secretary of State, they are registered and in good standing with the Secretary of State.

C.16 Drug and Alcohol Free Workplace

In recognition of individual rights to work in a safe, healthful and productive work place, as a material condition of this Contract, the Contractor agrees that the Contractor and the Contractor's employees, while performing service for the County, on County property, or while using County equipment:

C.16.1 Shall not be in any way impaired because of being under the influence of alcohol or an illegal or controlled substance.

C.16.2 Shall not possess an open container of alcohol or consume alcohol or possess or be under the influence of an illegal or controlled substance.

C.16.3 Shall not sell, offer, or provide alcohol or an illegal or controlled substance to another person, except where Contractor or Contractor's employee who, as part of the performance of normal job duties and responsibilities, prescribes or administers medically prescribed drugs.

The Contractor shall inform all employees that are performing service for the County on County property, or using County equipment, of the County's objective of a safe, healthful and productive work place and the prohibition of drug or alcohol use or impairment from same while performing such service for the County.

The County may terminate for default or breach of this Contract and any other Contract the Contractor has with the County, if the Contractor or Contractor's employees are determined by the County not to be in compliance with above.

C.17 Duration of Terms

This Contract, and all of its terms and conditions, shall be binding upon and shall inure to the benefit of the heirs, executors, administrators, successors, and assigns of the respective parties, provided no such assignment is in violation of the provisions of this Contract.

C.18 Employment Discrimination

During the term of the Contract, Contractor shall not discriminate against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, sexual orientation, age, or military and veteran status. Contractor shall comply with Executive Orders 11246, 11375, 11625, 12138, 12432, 12250, 13672, Title VI and Title VII of the Civil Rights Act of 1964, the California Fair Employment and Housing Act and other applicable Federal, State and County laws and regulations and policies relating to equal employment and contracting opportunities, including laws and regulations hereafter enacted.

C.19 Environmental Requirements

In accordance with County Policy 11-08, the County prefers to acquire and use products with higher levels of post-consumer recycled content. Environmentally preferable goods and materials must perform satisfactorily and be available at a reasonable price. The County requires Contractor to use recycled paper for any printed or photocopied material created as a result of this Contract. Contractor is also required to use both sides of paper sheets for reports submitted to the County whenever practicable.

To assist the county in meeting the reporting requirements of the California Integrated Waste Management Act of 1989 (AB 939), Contractor must be able to annually report the County's environmentally preferable purchases. Contractor must also be able to report on environmentally preferable goods and materials used in the provision of their service to the County, utilizing a County approved form.

C.20 Improper Influence

Contractor shall make all reasonable efforts to ensure that no County officer or employee, whose position in the County enables him/her to influence any award of the Contract or any competing offer, shall have any direct or indirect financial interest resulting from the award of the Contract or shall have any relationship to the Contractor or officer or employee of the Contractor.

C.21 Improper Consideration

Contractor shall not offer (either directly or through an intermediary) any improper consideration such as, but not limited to cash, discounts, service, the provision of travel or entertainment, or any items of value to any officer, employee or agent of the County in an attempt to secure favorable treatment regarding this Contract.

The County, by written notice, may immediately terminate this Contract if it determines that any improper consideration as described in the preceding paragraph was offered to any officer, employee or agent of the County with respect to the proposal and award process. This prohibition shall apply to any amendment, extension or evaluation process once a contract has been awarded.

Contractor shall immediately report any attempt by a County officer, employee or agent to solicit (either directly or through an intermediary) improper consideration from Contractor. The report shall be made to the supervisor or manager charged with supervision of the employee or the County Administrative Office. In the event of a termination under this provision, the County is entitled to pursue any available legal remedies.

C.22 Informal Dispute Resolution

In the event the County determines that service is unsatisfactory, or in the event of any other dispute, claim, question or disagreement arising from or relating to this Contract or breach thereof, the parties hereto shall use their best efforts to settle the dispute, claim, question or disagreement. To this effect, they shall consult and negotiate with each other in good faith and, recognizing their mutual interests, attempt to reach a just and equitable solution satisfactory to both parties.

C.23 Legality and Severability

The parties' actions under the Contract shall comply with all applicable laws, rules, regulations, court orders and governmental agency orders. The provisions of this Contract are specifically made severable. If a provision of the Contract is terminated or held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall remain in full effect.

C.24 Licenses, Permits and/or Certifications

Contractor shall ensure that it has all necessary licenses, permits and/or certifications required by the laws of Federal, State, County, and municipal laws, ordinances, rules and regulations. The Contractor shall maintain these licenses, permits and/or certifications in effect for the duration of this Contract. Contractor will notify County immediately of loss or suspension of any such licenses, permits and/or certifications. Failure to maintain a required license, permit and/or certification may result in immediate termination of this Contract.

C.25 Material Misstatement/Misrepresentation

If during the course of the administration of this Contract, the County determines that Contractor has made a material misstatement or misrepresentation or that materially inaccurate information has been provided to the County, this Contract may be immediately terminated. If this Contract is terminated according to this provision, the County is entitled to pursue any available legal remedies.

C.26 Mutual Covenants

The parties to this Contract mutually covenant to perform all of their obligations hereunder, to exercise all discretion and rights granted hereunder, and to give all consents in a reasonable manner consistent with the standards of "good faith" and "fair dealing".

C.27 Nondisclosure

Subject to compliance with local and state open meetings and public records laws, including without limitations, the San Bernardino County Sunshine Ordinance, County Code of Ordinances Section 19.0101, California Government Code 54950, and California Public Records Act (Government Code Section 6250), each party shall hold as confidential and use reasonable care to prevent unauthorized access by, storage, disclosure, publication, dissemination to and/or use by third parties of, confidential information that is either: (1) provided by a party (as the "Discloser") to the other party (as the "Recipient") or an agent of Recipient or otherwise made available to Recipient or Recipient's agent in connection with this Contract; or (2) acquired, obtained, or learned by Recipient or an agent of Recipient in the performance of this Contract. For purposes of this provision, confidential

information means all nonpublic information that is designated as confidential and falls within a recognized exemption to the San Bernardino County Sunshine Ordinance, County Code of Ordinances Section 19.0101, California Government Code 54950, and California Public Records Act (Government Code Section 6250). Confidential Information may include: any data, files, software, information or materials in oral, electronic, tangible or intangible form and however stored, compiled or memorialize and includes, but is not limited to, technology infrastructure, architecture, product, customer, financial data, trade secrets, equipment specifications, user lists, passwords, research data, and technology data.

C.28 Notice of Delays

Except as otherwise provided herein, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this contract, that party shall, within three (3) business days, give notice thereof, including all known relevant information with respect thereto, to the other party.

C.29 Intellectual Property

By providing County copies of or access to Contractor Materials in connection with this Contract, Contractor grants County the right to use such Contractor Materials for County's own internal use for the purpose for which such Contractor Materials were provided, subject to any scope limitation identified herein; *provided*, that Contractor retains all ownership right to such Contractor Materials. For purposes of this Contract, the term "Contractor Materials" is broadly defined to include anything County receives from Contractor or its agents in performance of the Services, including, without limitation, Contractor's proprietary intellectual property and materials (whether or not registerable as copyright, trademark, or patent), know-how, software, and trade secrets, but specifically excluding any County data to the extent incorporated in the Contractor Materials.

C.30 Participation Clause

The County desires that Municipalities, School Districts, and other Tax Districts within the County of San Bernardino requiring the same services provided herein may at their option and through the County Purchasing agent, avail themselves of this Contract. Subject to the mutual written agreement of County and Contractor, Contractor may extend the terms of this Contract with such governmental bodies as though they have been expressly identified in this bid, with the provisions that:

C.30.1 Such governmental body does not have and will not have in force any other contract for like purchases.

C.30.2 Such governmental body does not have under consideration for award any other bids or quotations for like purchases.

Such governmental body shall make purchases directly through and to the Contractor. The County will not be liable for any such purchase made between the Contractor and another governmental body who avails themselves of this contract.

C.31 Air, Water Pollution Control, Safety and Health

Contractor shall comply with all air pollution control, water pollution, safety and health ordinances and statutes, which apply to the work performed pursuant to this Contract.

C.32 Records

Contractor shall maintain all records and books pertaining to the delivery of services under this Contract and demonstrate accountability for contract performance. All records shall be complete and current and comply with all Contract requirements. Failure to maintain acceptable records shall be considered grounds for withholding of payments for invoices submitted and/or termination of the Contract.

C.33 Relationship of the Parties

Nothing contained in this Contract shall be construed as creating a joint venture, partnership, or employment arrangement between the Parties hereto, nor shall either Party have the right, power or authority to create an obligation or duty, expressed or implied, on behalf of the other Party hereto.

C.34 Release of Information

No news releases, advertisements, public announcements or photographs arising out of the Contract or Contractor's relationship with County may be made or used without prior written approval of the County.

C.35 Representation of the County

In the performance of this Contract, Contractor, its agents and employees, shall act in an independent capacity and not as officers, employees, or agents of the County of San Bernardino.

C.36 Strict Performance

Failure by a party to insist upon the strict performance of any of the provisions of this Contract by the other party, or the failure by a party to exercise its rights upon the default of the other party, shall not constitute a waiver of such party's right to insist and demand strict compliance by the other party with the terms of this Contract thereafter.

C.37 Subcontracting

Contractor shall obtain County's written consent, which County may withhold in its sole discretion, before entering into Contracts with or otherwise engaging any subcontractors who may supply any part of the Services to County. At County's request, Contractor shall provide information regarding the subcontractor's qualifications and a listing of a subcontractor's key personnel including, if requested by the County, resumes of proposed subcontractor personnel. Contractor shall remain directly responsible to County for its subcontractors and shall indemnify County for the actions or omissions of its subcontractors under the terms and conditions specified in Section G. All approved subcontractors shall be subject to the provisions of this Contract applicable to Contractor Personnel.

For any subcontractor, Contractor shall:

- C.37.1** Be responsible for subcontractor compliance with the Contract and the subcontract terms and conditions; and
- C.37.2** Ensure that the subcontractor follows County's reporting formats and procedures as specified by County.
- C.37.3** Include in the subcontractor's subcontract substantially similar terms as are provided in Sections B. Contractor Responsibilities and C. General Contract Requirements.

C.38 Subpoena

In the event that a subpoena or other legal process commenced by a third party in any way concerning the Goods or Services provided under this Contract is served upon Contractor or County, such party agrees to notify the other party in the most expeditious fashion possible following receipt of such subpoena or other legal process. Contractor and County further agree to cooperate with the other party in any lawful effort by such other party to contest the legal validity of such subpoena or other legal process commenced by a third party as may be reasonably required and at the expense of the party to whom the legal process is directed, except as otherwise provided herein in connection with defense obligations by Contractor for County.

C.39 Termination for Convenience

The County and the Contractor each reserve the right to terminate the Contract, for any reason, with a one hundred and twenty (120) day written notice of termination. Such termination may include all or part of the services described herein. Upon such termination, payment will be made to the Contractor for services rendered and expenses reasonably incurred prior to the effective date of termination. Upon receipt of termination notice Contractor shall promptly discontinue

services unless the notice directs otherwise. Contractor shall deliver promptly to County and transfer title (if necessary) all products pursuant to an accepted purchase order.

C.40 Time of the Essence

Time is of the essence in performance of this Contract and of each of its provisions.

C.41 Venue

The parties acknowledge and agree that this Contract was entered into and intended to be performed in San Bernardino County, California. The parties agree that the venue of any action or claim brought by any party to this Contract will be the Superior Court of California, County of San Bernardino, San Bernardino District. Each party hereby waives any law or rule of the court, which would allow them to request or demand a change of venue. If any action or claim concerning this Contract is brought by any third party and filed in another venue, the parties hereto agree to use their best efforts to obtain a change of venue to the Superior Court of California, County of San Bernardino, San Bernardino District.

C.42 Conflict of Interest

Contractor shall make all reasonable efforts to ensure that no conflict of interest exists between its officers, employees, or subcontractors and the County which would have a material and adverse effect on Contractor's ability to perform under this Contract. Contractor shall make a reasonable effort to prevent employees, Contractor, or members of governing bodies from using their positions for purposes that are, or give the appearance of being motivated by a desire for private gain for themselves or others such as those with whom they have family business, or other ties. Officers, employees, and agents of cities, counties, districts, and other local agencies are subject to applicable conflict of interest codes and state law. In the event the County determines a conflict of interest situation exists, any increase in costs, associated with the conflict of interest situation, may be disallowed by the County and such conflict may constitute grounds for termination of the Contract. This provision shall not be construed to prohibit employment of persons with whom Contractor's officers, employees, or agents have family, business, or other ties so long as the employment of such persons does not result in increased costs over those associated with the employment of any other equally qualified applicant.

C.43 Former County Administrative Officials

Contractor agrees to provide, or has already provided information on former County of San Bernardino administrative officials (as defined below) who are employed by or represent Contractor. The information provided includes a list of former County administrative officials who terminated County employment within the last five years and who are now officers, principals, partners, associates or members of the business. The information also includes the employment with or representation of Contractor. For purposes of this provision, "County administrative official" is defined as a member of the Board of Supervisors or such officer's staff, County Executive Officer or member of such officer's staff, County department or group head, assistant department or group head, or any employee in the Exempt Group, Management Unit or Safety Management Unit.

C.44 Disclosure of Criminal and Civil Procedures

The County reserves the right to request the information described herein from the Contractor. Failure to provide the information may result in a termination of the Contract. The County also reserves the right to obtain the requested information by way of a background check performed by an investigative firm. The Contractor also may be requested to provide information to clarify initial responses. Negative information discovered may result in Contract termination.

Contractor is required to disclose whether the firm, or any of its owners or key employees (as that term is defined herein), within the last ten years, has been indicted on or had charges brought against it or them (if still pending) or convicted of any crime or offense arising directly or indirectly from the conduct of the firm's business, or whether the firm, or any of its owners or key employees, have within the last ten years, been indicted on or had charges brought against it or them (if still

pending) or convicted of any crime or offense involving financial misconduct or fraud. If the response is affirmative, the Contractor will be asked to describe any such indictments or charges (and the status thereof), convictions and the surrounding circumstances in detail.

In addition, the Contractor is required to disclose whether the firm, or any of its owners or key employees, within the last ten years, has been the subject of legal proceedings as defined herein arising directly from the provision of services by the firm or those individuals. "Legal proceedings" means any civil actions filed in a court of competent jurisdiction, or any matters filed by an administrative or regulatory body with jurisdiction over the firm or the individuals. If the response is affirmative, the Contractor will be asked to describe any such legal proceedings (and the status and disposition thereof) and the surrounding circumstances in detail.

For purposes of this provision "key employees" includes any individuals providing direct service to the County. "Key employees" do not include clerical personnel providing service at the firm's offices or locations.

C.45 RESERVED

C.46 RESERVED

C.47 Iran Contracting Act

IRAN CONTRACTING ACT OF 2010, Public Contract Code sections 2200 et seq. In accordance with Public Contract Code section 2204(a), the Contractor certifies that at the time the Contract is signed, the Contractor signing the Contract is not identified on a list created pursuant to subdivision (b) of Public Contract Code section 2203 as a person (as defined in Public Contract Code section 2202(e)(c) engaging in investment activities in Iran described in subdivision (a) of Public Contract Code section 2202.5, or as a person described in subdivision (b) of Public Contract Code section 2202.5, as applicable.

Contractors are cautioned that making a false certification may subject the Contractor to civil penalties, termination of existing contract, and ineligibility to bid on a contract for a period of three (3) years in accordance with Public Contract Code section 2205.

C.48 RESERVED

C.49 RESERVED

D. TERM OF CONTRACT

This Contract is effective as of October 26, 2021 and expires October 25, 2029 but may be terminated earlier in accordance with provisions of this Contract. The County may exercise two (2) one-year extensions following the initial term.

E. COUNTY RESPONSIBILITIES

E.1 The County shall pay all non-disputed invoices within 30 days of the date on the invoice. In the event County disputes any portion of an invoice, in good faith, the parties shall work to timely address such dispute, and County agrees to pay the undisputed portion and not hold up the entire invoice from payment.

E.2 The County shall pay for all products, supplies, and services provided by Contractor via a separate Purchase Order as furnished by the County.

E.3 The County shall furnish and maintain an approved products and substitutions list to the Contractor.

- E.4 The County shall establish par levels for supplies, which Contractor shall be responsible for maintaining.
- E.5 The County shall provide reasonable cooperation with Contractor on all special projects and ongoing optimization efforts.

F. FISCAL PROVISIONS

- F.1 The maximum amount of payment under this Contract shall not exceed \$240,000,000 during the initial eight (8) year term, and shall be subject to availability of other funds to the County. The consideration to be paid to Contractor, as provided herein, shall be in full payment for all Contractor's services and expenses incurred in the performance hereof, including travel and per diem.
- F.2 **RESERVED**
- F.3 Contractor shall accept all payments from County via electronic funds transfer (EFT) directly deposited into the Contractor's designated checking or other bank account. Contractor shall promptly comply with directions and accurately complete forms provided by County required to process EFT payments.
- F.4 County is exempt from Federal excise taxes and no payment shall be made for any personal property taxes levied on Contractor or on any taxes levied on employee wages. The County shall only pay for any State or local sales, or use taxes on the services rendered or equipment and any goods and products supplied to the County pursuant to the Contract.
- F.5 **RESERVED**
- F.6 **RESERVED**
- F.7 Contractor shall adhere to the County's Travel Management Policy (8-02 and 08-02SP1) when travel is pursuant to this Contract and for which reimbursement is sought from the County. In addition, Contractor is encouraged to utilize local transportation services, including but not limited to, the Ontario International Airport.

G. INDEMNIFICATION AND INSURANCE REQUIREMENTS

G.1 Indemnification

The Contractor agrees to indemnify, defend (with counsel reasonably approved by County) and hold harmless the County and its authorized officers, employees, agents and volunteers ("Indemnitees") from any and all third party claims, actions, losses, damages and/or liability arising out of this Contract from any cause whatsoever, including the acts, errors or omissions of Contractor and any defect in the design or manufacture of a product. The Contractor indemnification obligation applies to the County's "active" as well as "passive" negligence but does not apply to the County's "sole negligence" or "willful misconduct" within the meaning of Civil Code section 2782.

Notwithstanding anything to the contrary herein, the Indemnitees shall not be entitled to indemnification to the extent the injury or damage is caused by (i) the acts or omissions of any Indemnitee or any person or entity other than any employee or agent of Contractor; (ii) use of the a product supplied by Contractor in any manner outside the scope of the specifications or in a manner for which the product was not reasonably intended, or (iii) the use of any product that has been altered without Contractor's written approval.

G.2 Additional Insured

All policies, except for Worker's Compensation, Errors and Omissions and Professional Liability policies shall contain additional endorsements naming the County and its officers, employees, agents and volunteers as additional named insured with respect to liabilities arising out of the performance of services hereunder. The additional insured endorsements shall not limit the scope of coverage for the County to vicarious liability but shall allow coverage for the County to the full extent provided by the policy. Such additional insured coverage shall be at least as broad as Additional Insured (Form B) endorsement form ISO, CG 2010.11 85.

G.3 Waiver of Subrogation Rights

The Contractor shall require the carriers of required coverages to waive all rights of subrogation against the County, its officers, employees, agents, volunteers, contractors and subcontractors. All general or auto liability insurance coverage provided shall not prohibit the Contractor and Contractor's employees or agents from waiving the right of subrogation prior to a loss or claim. The Contractor hereby waives all rights of subrogation against the County.

G.4 Policies Primary and Non-Contributory

All policies required herein are to be primary and non-contributory with any insurance or self-insurance programs carried or administered by the County.

G.5 Severability of Interests

The Contractor agrees to ensure that coverage provided to meet these requirements is applicable separately to each insured and there will be no cross liability exclusions that preclude coverage for suits between the Contractor and the County or between the County and any other insured or additional insured under the policy.

G.6 Proof of Coverage

The Contractor shall furnish Certificates of Insurance to the County Department administering the Contract evidencing the insurance coverage at the time the Contract is executed, additional endorsements, as required shall be provided prior to the commencement of performance of services hereunder, which certificates shall provide that such insurance shall not be terminated or expire without thirty (30) days written notice to the Department, and Contractor shall maintain such insurance from the time Contractor commences performance of services hereunder until the completion of such services. Upon the reasonable request of County and subject to confidentiality, the Contractor shall furnish a copy of the Declaration page for all applicable policies, premiums may be redacted at Contractor's discretion.

G.7 Acceptability of Insurance Carrier

Unless otherwise approved by Risk Management, insurance shall be written by insurers authorized to do business in the State of California and with a minimum "Best" Insurance Guide rating of "A- VII".

G.8 Intentionally Omitted.

G.9 Failure to Procure Coverage

In the event that any policy of insurance required under this contract does not comply with the requirements, is not procured, or is canceled and not replaced, the County has the right but not the obligation or duty to cancel the contract or obtain insurance if it deems necessary and any premiums paid by the County will be promptly reimbursed by the Contractor or County payments to the Contractor will be reduced to pay for County purchased insurance.

G.10 Insurance Review

Insurance requirements are subject to periodic review by the County. The Director of Risk Management or designee is authorized, but not required, to reduce, waive or suspend any insurance requirements whenever Risk Management determines that any of the required insurance is not available, is unreasonably priced, or is not needed to protect the interests of the County. In addition, if the Department of Risk Management determines that heretofore

unreasonably priced or unavailable types of insurance coverage or coverage limits become reasonably priced or available, the Director of Risk Management or designee is authorized, but not required, to re-include those types of coverage and limits as originally stated that may have been waived in the past, provided that any such change is reasonable in light of past claims against the County, inflation, or any other item reasonably related to the County's risk. Any change requiring additional types of insurance coverage or higher coverage limits must be made by mutually agreed amendment to this Contract.

Any failure, actual or alleged, on the part of the County to monitor or enforce compliance with any of the insurance and indemnification requirements will not be deemed as a waiver of any rights on the part of the County.

G.11 The Contractor agrees to provide insurance set forth in accordance with the requirements herein.

Without in anyway affecting the indemnity herein provided and in addition thereto, the Contractor shall secure and maintain throughout the contract term the following types of insurance with limits as shown:

G.11.1 Workers' Compensation/Employer's Liability – A program of Workers' Compensation insurance or a state-approved, self-insurance program in an amount and form to meet all applicable requirements of the Labor Code of the State of California, including Employer's Liability with \$250,000 limits covering all persons including volunteers providing services on behalf of the Contractor and all risks to such persons under this contract.

If Contractor has no employees, it may certify or warrant to the County that it does not currently have any employees or individuals who are defined as "employees" under the Labor Code and the requirement for Workers' Compensation coverage will be waived by the County's Director of Risk Management.

With respect to Contractors that are non-profit corporations organized under California or Federal law, volunteers for such entities are required to be covered by Workers' Compensation insurance.

G.11.2 Commercial/General Liability Insurance – The Contractor shall carry General Liability Insurance covering all operations performed by or on behalf of the Contractor providing coverage for bodily injury and property damage with a combined single limit of not less than one million dollars (\$1,000,000), per occurrence. The policy coverage shall include:

- a. Premises operations and mobile equipment.
- b. Products and completed operations.
- c. Broad form property damage (including completed operations).
- d. Explosion, collapse and underground hazards.
- e. Personal injury.
- f. Contractual liability.
- g. \$2,000,000 general aggregate limit.

G.11.3 Automobile Liability Insurance – Primary insurance coverage shall be written on ISO Business Auto coverage form for all owned, hired and non-owned automobiles or symbol 1 (any auto). The policy shall have a combined single limit of not less than one million dollars (\$1,000,000) for bodily injury and property damage, per occurrence.

If the Contractor is transporting one or more non-employee passengers in performance of contract services, the automobile liability policy shall have a

combined single limit of two million dollars (\$2,000,000) for bodily injury and property damage per occurrence.

If the Contractor owns no autos, a non-owned auto endorsement to the General Liability policy described above is acceptable.

G.11.4 Umbrella Liability Insurance – An umbrella (over primary) or excess policy may be used to comply with limits or other primary coverage requirements. When used, the umbrella policy shall apply to bodily injury/property damage, personal injury/advertising injury and shall include a “dropdown” provision providing primary coverage for any liability not covered by the primary policy. The coverage shall also apply to automobile liability.

G.11.5 Errors and Omissions Liability Insurance – Errors and Omissions Liability Insurance with limits of not less than one million (\$1,000,000) and two million (\$2,000,000) aggregate limits

H. RIGHT TO MONITOR AND AUDIT

H.1 The State and Federal governments shall have absolute right to review and audit all records, books, papers, documents, corporate minutes, and other pertinent items as requested, and shall have absolute right to monitor the performance of Contractor in the delivery of services provided under this Contract. Contractor shall give full cooperation, in any auditing or monitoring conducted. Contractor shall cooperate with the County in the implementation, monitoring, and evaluation of this Contract and comply with any and all reporting requirements established by the County.

H.2 All records pertaining to services delivered and all fiscal, statistical and management books and records shall be available for examination and audit by County representatives for a period of three years after final payment under this Contract or until all pending County, State and Federal audits are completed, whichever is later. County may perform any audit following advance written notice, and not more than once per year

I. CORRECTION OF PERFORMANCE DEFICIENCIES

I.1 Failure by either party to comply with any of the provisions, covenants, requirements or conditions of this Contract shall be a material breach of this Contract.

I.2 In the event a breach is not cured following thirty (30) days’ written notice, the non-breaching party may, at its sole discretion and in addition to any other remedies available at law, in equity, or otherwise specified in this Contract, terminate this Contract immediately and be relieved of the payment of any consideration to Contractor for products not received by the termination date. Contractor shall also be excused from supplying any additional products to County.

J. NOTICES

All written notices provided for in this Contract or which either party desires to give to the other shall be deemed fully given, when made in writing and either served personally, or deposited in the United States mail, postage prepaid, or via national overnight courier, and addressed to the other party as follows:

*San Bernardino County
Purchasing Department
777 E. Rialto Avenue
San Bernardino, CA 92415
ATTN: Director of Purchasing*

*Medline Industries, LP
Three Lakes Drive,
Northfield, Illinois 60093
Attn: General Counsel*

Notice shall be deemed communicated two (2) County working days from the time of mailing if mailed as provided in this paragraph.

K. ENTIRE AGREEMENT

This Contract, including all Exhibits and other attachments, which are attached hereto and incorporated by reference, and other documents incorporated herein, represents the final, complete and exclusive agreement between the parties hereto. Any prior agreement, promises, negotiations or representations relating to the subject matter of this Contract not expressly set forth herein are of no force or effect. This Contract is executed without reliance upon any promise, warranty or representation by any party or any representative of any party other than those expressly contained herein. Each party has carefully read this Contract and signs the same of its own free will. This Contract may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts shall together constitute one and the same Agreement. The parties shall be entitled to sign and transmit an electronic signature of this Contract (whether by facsimile, PDF or other email transmission), which signature shall be binding on the party whose name is contained therein. Each party providing an electronic signature agrees to promptly execute and deliver to the other party an original signed Contract upon request.

L. Extraordinary Circumstances. The following provision applies for the duration of any Extraordinary Circumstance that may occur during the term of this Agreement and overrides any other conflicting provisions of this Agreement. For purposes of this provision, "Extraordinary Circumstance" means any of the following events if it causes an increase in the cost of supply of a product under this Agreement, or delays or results in a reduction in volumes of a product, and such increase in cost, delay or reduction in volumes is outside of the reasonable control of Contractor, which includes: (a) acts of God; (b) flood, fire, earthquake, hurricane, tornado, volcanic eruption, tsunami, landslide, explosion, epidemic, or pandemic, including the COVID-19 pandemic; (c) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot or other civil unrest; (d) quarantine, embargo, tariff, blockade, or any other action or order by a governmental authority, including change or proposed change of laws or regulations, or declarations of states of emergency, strikes, labor stoppages or slowdowns, or other industrial disturbances; (f) disruption in the supply of adequate power, fuel, materials, components, or communications or transportation facilities, or other commercial impracticability (e.g., because performance is medically inadvisable for those persons involved); or (g) global shortages in product supply caused by (a)-(f) above or other occurrences. If an Extraordinary Circumstance occurs, then Contractor may, at its option and with written notice to County, take any or all of the following actions:

1. Increase the pricing for the product(s) impacted by the Extraordinary Circumstance for all orders that are received or to be fulfilled during the period of the Extraordinary Circumstance to account for increased costs incurred by Contractor attributable to the Extraordinary Circumstance. After receipt of Contractor's notice of the applicable price increase, County will have five (5) business days to terminate any pending orders for the products that are the subject of Contractor's notice. If requested, Contractor will provide proof of cost increases for impacted product(s) to the County prior to the deadline to terminate pending orders.
2. Allocate available quantities of the product(s) impacted by the Extraordinary Circumstance among Contractor's customers, which may involve reducing the size of County's pending orders.
3. Adjust delivery arrangements and timelines for pending orders for product(s) impacted by the Extraordinary Circumstance to the extent necessary as determined by Contractor acting reasonably.
4. Reject pending or new orders for the product(s) impacted by the Extraordinary Circumstance.

M. Return Goods Policy. Supplier's Return Goods Policy is attached as Attachment D.

IN WITNESS WHEREOF, San Bernardino County and the Contractor have each caused this Contract to be subscribed by its respective duly authorized officers, on its behalf.

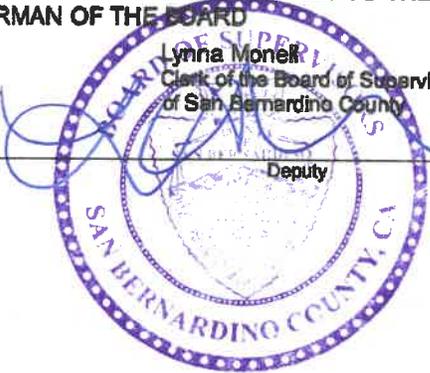
SAN BERNARDINO COUNTY

Curt Hagman

Curt Hagman, Chairman, Board of Supervisors

Dated: OCT 26 2021
SIGNED AND CERTIFIED THAT A COPY OF THIS DOCUMENT HAS BEEN DELIVERED TO THE CHAIRMAN OF THE BOARD

By *Lynna Monell*
Lynna Monell
Clerk of the Board of Supervisors
of San Bernardino County
Deputy



MEDLINE INDUSTRIES, LP
(f/k/a Medline Industries, Inc.)
By: Mozart GP, LLC
Its: General Partner

By *Marc Phillips*
(Authorized signature - sign in blue ink)

Name Marc Phillips
(Print or type name of person signing contract)

Title Sr. Vice President, Corporate Sales
(Print or Type)

Dated: September 21, 2021

Address Three Lakes Drive, Northfield, IL 60093

FOR COUNTY USE ONLY

Approved as to Legal Form

Bonnie Gillett
County Counsel

Date 10-21-2021

Reviewed for Contract Compliance

[Signature]
Date _____

Reviewed/Approved by Department

Patrick Scalzitti
Date Patrick Scalzitti

10.22.2021

Attachment A

Outsource Program Scope of Work

Arrowhead Regional Medical Center (ARMC): A department of the County denominated San Bernardino County Medical Center,

Scope of Work

Contractor will provide a team of employees to handle supply chain, reorder, & replenishment needs. This service will include daily inventory, purchase ordering placement, receipt, and par replenishment of all current par locations.

Overall Responsibilities

- Medline to provide staffing on agreed upon days
- Removal and documentation of recalled product
 - Accomplished within 24 hours of notification
 - Inventory counts by par location
- Replenish product to each point of use location
 - Product vs. packing-slip verification process
 - Product ordered vs. shipped quantity verified
 - Product integrity & quality verified
- Quality Control
 - Quarterly Review of all par locations for service and quality assurance
 - Par Optimization
 - Par adjustment
- Rotation of Inventory in the stocking areas (expiration date driven)
 - Removal of documentation of expiration product
 - Quarterly tracking of items and value
- Stock location change requests (will work with a specific Point of Contact from ARMC)
 - Item Conversions
 - Par quantity adjustments
- Back Up Coverage
 - Additional Medline employees will be cross trained to assist in any staff shortage or emergent situations
 - Additional support will cover any extended PTO requests.

Managed Areas

- All areas currently being managed today are outlined at the bottom of this attachment

Hiring Process

- All Medline on-site personnel will be subject to County's pre-employment requirements. This includes attending Medline on-boarding and pre-employment orientations. Medline will provide all current Joint Commission contractor specifics as needed.
 - TJC requirements
 - Pre-employment drug screening
 - Background verification
 - TB and Immunization requirements
 - Pre-employment Hospital orientation

Products & PAR Location Exclusions to Program

- All RX/Medications
 - Post-mixed solutions
 - Anesthesia inhalants

- All pharmaceutical products
- All Office Supplies
 - Forms
 - Pen/paper
 - Inter Department envelopes
 - Toner
- All Instrumentation
 - Non-disposable instruments
 - Procedure trays
 - Re-sterilized supplies
- All non-disposable supplies—including (but not limited to)
 - Capital equipment
 - Linens and towels
 - Pillows
- Non-Medline vendor related responsibilities
 - Vendor phone ordering
 - Vendor meetings
 - Vendor consignment inventory

Management

On-site Medline staff and personnel will be managed and supervised by the Medline Director. This will include:

- Daily job assignment
- Disciplinary action
 - Verbal
 - Written
 - Suspension
- Time off approval
- Coordination and approval of additional duties or responsibilities
- Face-to-face annual performance evaluation
 - Strategic goal setting
 - Written performance documentation
 - Salary adjustment
- Coordination of additional training
- Monthly operations meeting
- Quarterly quality assurance documentation

Ship-To #	Ship-To Name	Ship-To #	Ship-To Name
0001573696	6180 6CENTER DRESSING CART	0001522399	7470 CENTRAL MAIN CART M
0001573698	6180 6CENTER MED ROOM	0001522400	7470 CENTRAL MAIN CART N
0001573694	6180 6CENTER MEDSURG/TELE	0001522401	7470 CENTRAL MAIN CART O
0001522330	6180 6CENTER-NEG PRS RM6206	0001522403	7470 CENTRAL MAIN CART Q
0001573662	6180 6CENTER-NEG PRS RM6219	0001522404	7470 CENTRAL MAIN CART R
0001573710	6187 6NORTH DRESSING CART	0001522405	7470 CENTRAL MAIN CART S
0001573699	6187 6NORTH MED ROOM	0001522406	7470 CENTRAL MAIN CART T
0001573700	6187 6NORTH TELE/MEDSURG	0001522407	7470 CENTRAL MAIN CART U
0001522331	6187 6NORTH-NEG PRS RM6108	0001522415	7470 CENTRAL MAIN CART W
0001573711	6181 6SOUTH DRESSING CART	0001522416	7470 CENTRAL MAIN CART X
0001573712	6181 6SOUTH MED ROOM	0001522323	7470 DRESSING PACK CART
0001573713	6181 6SOUTH MED/SURG	0001573693	7470 NURSING BACK-UP SUPPLY
0001522329	6181 6SOUTH-NEG PRS RM6322	0001522506	7470 CENTRAL CHEST TUBE RESUPP
0001522534	7421 CENTRAL SUTURE RESUPPLY	0001573670	7470 CENTRAL MULTILINE CART
0001522528	7470 EQUIPMENT ROOM CENTRAL	0001522337	7470 CENTRAL GLOVE RESUPPLY
0001522409	7470 CENTRAL LDR RESTOCK	0001522288	7470 CENTRAL ISOLATION RESUPPLY
0001522500	7470 STERILIZATION SUPPLIES	0001573675	7470 PERC TRACH SUPPLY CART
0001522527	7470 PREP PACK CENTRAL	0001522387	7470 SPD PICC PROCEDURE CART
0001573669	7470 CENTRAL MAIN CART A	0001522412	WOUND VAC SUPPLY
0001522388	7470 CENTRAL MAIN CART B	0001522514	7470 DECONTAM CENTRAL B RM 2
0001522389	7470 CENTRAL MAIN CART C	0001522526	7470 DECONTAMINATION CENTRAL
0001522390	7470 CENTRAL MAIN CART D	0001522290	7470 CENTRAL CRASH CART RESUPPLY
0001522391	7470 CENTRAL MAIN CART E	0001522292	7470 CENTRAL LATEX FREE RESUPPLY
0001522392	7470 CENTRAL MAIN CART F	0001522293	7470 CENTRAL NEURO CART RESUPPLY
0001522393	7470 CENTRAL MAIN CART G	0001522408	7470 CENTRAL MAIN CART V
0001522394	7470 CENTRAL MAIN CART H	0001522484	7470 CENTRAL SUPPLY SPD
0001522395	7470 CENTRAL MAIN CART I	0001522335	7470 CENTRAL PACK RESUPPLY
0001522396	7470 CENTRAL MAIN CART J	0001522420	6010 MICU 2ND FL 2SOUTH
0001522397	7470 CENTRAL MAIN CART K	0001522459	6010 MICU DRESS CART 2SOUTH
0001522398	7470 CENTRAL MAIN CART L	0001522421	6010 MICU MED ROOM 2ND FL 2SOUTH

Ship-To #	Ship-To Name
0001522458	6010 MICU-NEG PRS RM2304
0001522286	6010 MICU-NEG PRS RM2313
0001800457	6010 MICU CRRT DIALYSIS
0001843712	6010 MICU CRRT DIALYSIS
0001522422	6015 SICU 2ND FL 2CENTER
0001522445	6015 SICU DRESS CART 2CENTER
0001522423	6015 SICU MED ROOM 2ND FL 2 CTR
0001522342	6015 SICU-NEG PRS RM2204
0001522444	6015 SICU-NEG PRS RM2213
0001522425	6110 BURN MED ROOM 2ND FL 2 NTH
0001522424	6110 BURN UNIT 2ND FL 2NORTH
0001522518	6110 BURN UNIT TUB ROOM
0001573683	7010 EMERG. ROOM CART A BACK-UP
0001573679	7010 EMERG. ROOM CART B BACKUP
0001573703	7010 EMERG. ROOM CART C BACKUP
0001573702	7010 EMERG. ROOM CART D BACKUP
0001573704	7010 EMERG. ROOM CART E BACKUP
0001573677	7010 EMERG. ROOM CART F BACKUP
0001573733	7010 ER BACK UP SUPPLY WHSE
0001573680	7450 ANESTHESIA CART 1 BACK-UP
0001573708	7421 OR RESTOCK B BACK-UP
0001573707	7421 OR RESTOCK A BACK-UP
0001573705	7421 OR MISC CART 1 BACK-UP
0001573706	7421 OR MISC CART 2 BACK-UP
0001573709	7421 PRE-OP HOLDING CART BACK-UP
0001522379	7760 ENDOSCOPY MED ROOM
0001522321	7760 ENDOSCOPY RM 16
0001573701	7760 ENDOSCOPY RM 17
0001522380	7760 ENDOSCOPY RM 18
0001522381	7760 ENDOSCOPY RM 19

Ship-To #	Ship-To Name
0001522537	7085 PAIN CLINIC - RM-2B133A
0001573676	7421 PRE-OP HOLDING SOUTH
0001522376	7427 P A C U - RESPIRATORY
0001522306	7427 P A C U/ASC
0001522473	7450 ANESTHESIA
0001573658	7450 ANESTHESIA CART 1
0001522328	7421 OR MISC CART - 1
0001522540	7421 OR MISC CART - 2
0001522488	7421 OR MISC SUPPLIES FOR JEN
0001522531	7421 OR RESTOCK A
0001522532	7421 OR RESTOCK B
0001522533	7421 OR RESTOCK SOLUTION
0001573659	7421 PRE-OP HOLDING CART
0001573664	7421 OR PPE SUPPLY CART
0001522303	7631 ANGIO/GE ROOM-2B213A
0001522302	7631 ANGIO/POLYSTAR 1ST FLOOR
0001672697	7570 CARDIAC 2ND FLOOR
0001522316	7630 RADIOLOGY
0001522582	7630 RADIOLOGY CHEST ROOM
0001573688	7630 RADIOLOGY ISO CART
0001522298	7650 NUCLEAR MEDICINE
0001522300	7660 MRI DEPARTMENT
0001522299	7670 ULTRASOUND
0001522301	7680 CT DEPARTMENT
0001522522	6010 4NORTH MED ROOM
0001522521	6010 4NORTH RAPID ADMIT UNIT
0001522325	6010 4NORTH DRESSING CART
0001573655	6010 4NORTH NEG PRS RM4112
0001522324	6010 4NORTH NEG PRS RM4104
0001522453	6170 4CENTER DRESSING CART

Ship-To #	Ship-To Name	Ship-To #	Ship-To Name
0001522434	6170 4CENTER MED ROOM	0001522478	7400 LABOR AND DEL NUTRITION RM
0001522433	6170 4CENTER MEDSURG/TELE	0001522475	7400 LABOR AND DEL RM 3B205A
0001522344	6170 4CENTER-NEG PRS RM4206	0001522477	7400 LABOR AND DEL ROOM 3B245A
0001522452	6170 4CENTER-NEG PRS RM4219	0001522365	7400 LABOR AND DELIVERY EXAM STOCK
0001522520	6171 4SOUTH DRESSING CART	0001710359	7400 LABOR AND DELIVERY NST CLINIC
0001522435	6171 4SOUTH MED ROOM	0001522430	7400 LABOR AND DELVY ROOM 3B259A
0001522512	6171 4SOUTH MEDSURG/TELE	0001522486	7421 LABOR AND DELIVERY O R
0001522348	6171 4SOUTH-NEG PRS RM4320	0001522383	6070 NICU RESPIRATORY 3RD FLOOR
0001522349	6172 5CENTER-NEG PRS RM5206	0001522356	7010 EMERGENCY RM CART A
0001522455	6172 5CENTER-NEG PRS RM5219	0001522443	7010 EMERGENCY RM CART B
0001522516	6179 5CENTER DRESSING CART	0001522353	7010 EMERGENCY RM CART C
0001522523	6179 5CENTER MED ROOM	0001522354	7010 EMERGENCY RM CART D
0001522471	6179 5CENTER MEDSURG/TELE	0001522355	7010 EMERGENCY RM CART E
0001522519	6173 5SOUTH DRESSING CART	0001522367	7010 EMERGENCY RM CART F
0001522437	6173 5SOUTH MED ROOM	0001522366	7010 EMERG ROOM ORTHO A
0001522436	6173 5SOUTH MEDSURG/ONCOL	0001522322	7010 EMERG ROOM ORTHO B
0001522542	6173 5SOUTH-NEG PRS RM5320	0001522385	7010 EMERG ROOM POD A/TRAUMA
0001573739	8722 CENTRALIZED TELE UNIT 5 SOUTH	0001522358	7010 EMERG ROOM POD B
0001522456	6177 5NORTH DRESSING CART	0001522357	7010 EMERG ROOM POD C
0001522440	6177 5NORTH M/S ORTHO+DETENT	0001522359	7010 EMERG ROOM POD D
0001522441	6177 5NORTH MED ROOM	0001522287	7010 EMERGENCY DEPT EXTENDED
0001522350	6177 5NORTH-NEG PRS RM5105	0001749617	EMERG ROOM PEDS CART (LUM)
0001522364	6340 BEHAVIORIAL HEALTH 1ST SOUTH	0001752139	ER/TRAUMA AIRWAY CART
0001522363	6341 BEHAVIORIAL HEALTH 1ST NORTH	0001752138	ER/TRAUMA PEDS CART
0001522461	6342 BEHAVIORIAL HEALTH 2ND NORTH	0001793452	DISASTER SUPPLY
0001573661	7061 BEHAVIORIAL HEALTH 2ND 2D109A	0001573671	7740 DIALYSIS INPATIENT
0001522501	7060 BEHAVIORIAL HEALTH TRIAGE	0001573672	7740 DIALYSIS UNIT
0001522427	6070 NICU 3RD FLOOR	0001573681	7740 DIALYSIS UNIT - MAIN CART
0001710566	7450 ANESTHESIA WORK ROOM	0001573729	7740 DIALYSIS WHSE BACK-UP CART
0001522479	7400 LABOR AND DEL CART 3B205A	0001522490	7470 RESPIRATORY BILLED TO SPD

Ship-To #	Ship-To Name	Ship-To #	Ship-To Name
0001522372	7620 NEURO-DIAGNOSTICS RM 3A247A	0001522463	7077 PEDIATRICS OP CLINIC
0001522371	7720 BLOOD GAS LAB 3RD FL 3CENTER	0001668619	7630 MEDICAL IMAGING REGISTRATION
0001522346	7720 RESPIRATORY 3RD FL 3CENTER	0001522414	9460 EMPLOYEE HLTH AND WELLOCCUPAT
0001522525	7730 PULMONARY FUNCTION 3RD FL 3CEN	0001745871	7185-MOBILE CLINIC (LUM)
0001522431	6290 PEDIATRICS 3RD FL 3NORTH	0001522466	7081 INTERNAL MEDICINE OP CLINIC
0001522432	6290 PEDS MED ROOM 3RD FL 3NORTH	0001644592	7083 CARDIAC CLINIC
0001522340	6290 PEDS TREATMENT ROOM	0001573692	7182 MOB/INT. MED CLINIC - MED ROOM
0001522474	6290 PEDS TREATMENT ROOM	0001573686	7182 MOB/INT.MED CLINIC - SUPPLY RM
0001573667	6380 3SOUTH POST PART MED RM	0001522494	7770 PHYSICAL THERAPY DME
0001573668	6380 3SOUTH POST PART SUPP RM	0001522319	7770 PHYSICAL THERAPY/REHAB
0001573652	6380 3SOUTH-NEG PRS RM3319	0001522320	7790 OCCUPATIONAL THPY
0001675541	7080 HYPERBARIC	0001522373	7500 OUT PATIENT LAB DRAW AREA
0001522327	6290 3NORTH-NEG PRS RM3105	0001522591	7642 RADIATION ONCOLOGY
0001522505	7590 CARDIAC DIAGNOSTIC 3RD FL 3CEN	0001522377	7087 CAST ROOM OP CLINIC
0002023322	3 NORTH MED/SURG SUPPLY	0001522465	7089 ONCOLOGY/INFUSION OP CLINIC
0001756642	6172-MEDSURG OVERFLOW MED RM	0001522378	7092 MEDICINE OP CLINIC
0001756641	6172-MEDSURG OVERFLOW SUPPLY CART	0001522464	7076 ORTHOPEDICS OP CLINIC
0001673135	6380 POST PART MED RM	0001522468	7078 SURGERY OP CLINIC
0001522481	6380 POST PARTUM CAR SEATS	0001828243	6010 MICU CRRT DIALYSIS (LUM)
0001522429	6380 POST PARTUM ROOM 3B184A	0001573663	8650 ARMC - HR RM 1B100A
0001522428	6532 NEWBORN 3RD FLOOR	0001573665	7184 BREATHMOBILE RCS
0001522448	6532 NEWBORN TREATMENT RM 3B110A	0001573666	8530 PATIENT ACCOUNTING
0001573673	7500 LAB SUPPLY CART	0001573660	8470 TELECOMMUNICATIONS-RM 1A241A
0001522297	8320 DIETARY-NUTRITIONAL	0001984105	1010 ER
0001522368	7073 ENT/ORAL SURG OP CLINIC	0001984106	7093 PODIATRY
0001522467	7074 EYE OP CLINIC	0001984712	1010 ER
0001522462	7075 WOMENS HEALTH OP CLINIC	0001984713	7093 PODIATRY

Attachment B

Management of Operating Room Suites

Program Scope of Work

Arrowhead Regional Medical Center (ARMC): A department of the County denominated San Bernardino County Medical Center,

20. I. OVERVIEW AND PURPOSE

This describes County's request to have Medline manage the disposable room stock supply kept within the ARMC OR Suites. This would include daily management of the supply, item replenishment, identification of expired supply and quality control.

II. COVENANTS

Medline and County mutually-agree to the following:

High Level Task List

- Create a timeline for project start and finish date – ARMC Team/Medline Team
- Perform physical review and documentation of items – Medline Team
- Initial set-up and product and location standardization – ARMC Team/Medline Team
- Purchase supply bins to maximize space and organize product – ARMC Team
- Inventory and replenishment of supply – Medline Team

Exclusions

- Any use of powered equipment for drilling, boring and burrowing
- Any non-Medline distributed items

Assumptions and Requirements

- Medline to perform inventory for one (1) OR Suite to create stocking template
- ARMC to review and approve supply listing and par levels
- ARMC to purchase bins needed for rooms and feeder cart to hold supply
- Medline to set-up each room based on feedback from ARMC
- Medline to begin daily supply management of items

Supply Room Detail

- Ten (10) OR Suites

Medline Team

- One Full-Time Employee (FTE)
 - o Monday - Friday.

III. PAYMENT/FEES.

The fee for performing the aforementioned tasks and responsibilities is as set forth below. The fee will be invoiced on a monthly basis. The cost does not include any hardware.

* Item Documentation and Room Set-up (One Time) \$8,360.00

* Daily Supply Management* (Monthly Invoice) \$5,057.29

*Medline reserves the right to adjust the Monthly Fee by up to four percent (4.00%) on an annual basis to account for cost of living adjustments.

IV. TERMINATION

Either party may terminate this MOU without cause for its convenience, but only on thirty (30) days prior written notification to assist in the operational transition.

V. MODIFICATION TO AGREEMENT

Modifications to this shall be mutually-agreed upon with written agreement between the parties.

Attachment C

3rd Party Logistics (3PL) Services

Arrowhead Regional Medical Center (ARMC): A department of the County denominated San Bernardino County Medical Center,

If County decides to utilize Contractor for 3PL services from Contractor, the following language outline the terms of the program:

21. I. Description of Services

3PL services involve the receiving, storage, picking, packing and shipping of designated County-owned 3PL products to Provider along with other services as defined by this MOU. Supplier agrees to handle and store items listed in Appendix A provided at the time these services are requested (the "3PL Products").

Each month Supplier will track the activity associated with inbound, outbound, storage requirements and supplemental services (the "3PL Services").

II. Third Party Logistics Service Fees

Supplier will perform the 3PL Services according to the following service fee schedule.

All 3PL Services fees will be billed to Provider on a monthly invoice under a standing purchase order number. Supplier will provide a detailed monthly report itemizing the activities performed.

PROGRAM FEE	Fee	Frequency
Monthly 3PL Program Fee (0-10 SKU's)	\$1,000.00	Monthly
Monthly 3PL Program Fee (11-50 SKU's)	\$2,000.00	Monthly
Monthly 3PL Program Fee (51 or more SKU's)	\$2,500.00	Monthly

STORAGE of Provider Owned Goods (per month)	Fee	Frequency
Warehouse Storage		
6 ft. Tall Pallet Position	\$30.00	Monthly
3 ft. Tall Pallet Position	\$20.00	Monthly
Handstack Racking, Shelving, or Automation Storage Location	\$8.00	Monthly
Floor Space Storage Per sq.ft. (based on availability)	\$15.00	Monthly
Temperature Controlled Warehouse Storage		
6 ft. Tall Pallet Position Temperature Controlled	\$112.00	Monthly
3 ft. Tall Pallet Position Temperature Controlled	\$40.00	Monthly
Handstack Racking, Shelving, or Automation Storage Location Temperature Controlled	\$16.00	Monthly
Temperature Controlled Non-Palletable Floor Space Storage Per sq.ft. (based on availability)	\$30.00	Monthly

HANDLING (applicable per event and UOM)	Fee	Frequency
Inbound Activity Fee (Inclusive of receiving, breakdown, and putaway to storage)		
Less than Pallet of Product Put to Storage by Handstacking	\$7.00	Per Activity

Pallet of Product Put to Storage by Forklift	\$7.00	Per Activity
Additive Labor to Palletize a Floor Loaded 48 ft. Trailer/Container	\$390.00	Per Activity
Outbound Activity Fee (Inclusive of picking, palletizing, and loading to outbound transportation)		
Less-than-case Pick Transaction Line	\$2.50	Per Activity
Case Pick Transaction Line	\$5.00	Per Activity
Pallet Pick Transaction Line	\$8.00	Per Activity
Additive Labor to Record a Serial Number at Time of Pick	\$1.00	Per Activity

DELIVERY - TRANSPORTATION	Fee	Frequency
Inbound Delivery Fee		
Medline Backhaul After Making Medline Purchased Goods Delivery.	\$50.00	Per Pallet
Common carrier is billed as actual. Standard parcel and LTL rates apply.	TBD	Per Shipment
Outbound Delivery Fee ¹		
Standard freight rates apply. Provider will be billed actual freight rate per BOL/tracking number. In the event 3PL Products and purchased items are on the same BOL/tracking number the Provider will be billed a percentage of total freight based on 3PL weight compared to total BOL/tracking number weight.		

1 – Outbound Delivery Fee Example:

BOL/Tracking	Ship Date	Medline Branch	Carrier Code	Total Freight	3PL Freight	Purchased Item		3PL Lines	Medline Lines	3PL Weight	Medline Weight
						Freight	Weight				
12228029	20200702	C03	FDXG	\$ 40.27	\$ 24.50	\$ 15.77		1	1	32.0	20.6
12257426	20200708	C03	FDXG	\$ 183.42	\$ 57.65	\$ 125.77		1	1	121.0	264.0
12660042	20200915	C03	FDXG	\$ 79.93	\$ 3.28	\$ 76.65		1	1	2.1	49.5
8000899285	20200512	C03	FDXG	\$ 18.01	\$ 18.01	\$ -		1	-	20.3	-
8000645940	20200508	C03	FDXG	\$ 92.28	\$ 92.28	\$ -		1	-	105.8	-
8013590367	20200915	C03	FDXG	\$ 378.88	\$ 378.88	\$ -		1	-	176.0	-
8005752221	20200702	C03	FDXG	\$ 71.88	\$ 71.88	\$ -		1	-	28.0	-
8002898634	20200603	C03	FDXG	\$ 24.74	\$ 24.74	\$ -		1	-	25.4	-

III. Supplemental Third Party Logistics Services

In addition, Supplier will provide the following supplemental third party logistical services (the "Supplemental Services") for the fees identified in the following table. Supplemental Services will only be performed upon written request from Provider and the acceptance by Supplier.

SUPPLEMENTALS (per event)	Fee
Stock Check per Storage Location	\$7.50
Creating a Bill of Lading for a Dedicated LTL or TL Shipment	\$7.25
Hazmat Processing Fee per Outbound Tracking Number/Bill of Lading	\$5.80
Parcel Processing Fee	\$4.35
Custom Clerical & Warehouse Labor per Hour	Quoted per request

Supplemental Services will be billed together with the 3PL Services fees on a monthly invoice under a separate purchase order. A detailed monthly report itemizing the activity will be provided by Supplier to Provider.

IV. Terms & Conditions

- 4.1 Acceptance.** During the term of this MOU, Supplier will receive, warehouse, slot, and redistribute 3PL Products tendered by Provider and accepted by Supplier, as a 3PL provider, in accordance with the terms, conditions and fees provided herein. In the event 3PL Products tendered for storage do not conform to the descriptions, limitations, terms, and conditions contained herein, Supplier may refuse to accept such 3PL Products in which case it will promptly send written notice (email acceptable) to Provider.
- 4.2 Term.** The pricing outlined in this attachment is valid for a period of one year from the date of the effective date of the Contract. After this period, pricing will be reviewed and agreed upon prior to any services being rendered.
- 4.3 Storage Policies.** All 3PL Products for storage shall be delivered at the designated Supplier warehouse appropriately marked and packaged for handling, or such 3PL Product shall not be accepted by Supplier. Provider is responsible for communicating to Supplier all storage specifications and ongoing changes required to confirm receiving and storage needs. Inbound pallets from vendor may be up to six feet tall, plus or minus six inches, with up to 1.5 inch total overhang. All 3PL Products shall remain the property of Provider, subject to the terms of this MOU. Supplier is not responsible for any loss or damage, howsoever caused, to 3PL Products stored or handled under the terms of this MOU.
- 4.4 Receiving & Delivery Requirements.** Provider agrees not to ship 3PL Products to Supplier as the named consignee, but rather identified as Provider with the primary facilities' address. Provider agrees that for any non-parcel deliveries, an appointment must be scheduled through dockappts@medline.com. Supplier shall have the right to refuse 3PL Products where delivery appointments are not met.
- 3PL Products received or delivered outside of normal receiving business hours (5:00 am – 1:00 pm local time, Monday through Friday (excluding holidays)) are subject to additional charges and must be approved in advanced by both Provider and Supplier. Products arriving from an outside vendor or directly from the Provider will be received into 3PL stock within 48 hours of the product arriving at Supplier's branch. Any 3PL Product moving from Supplier inventory to 3PL inventory will be received into stock within 48 hours of Provider order placement.
- Supplier shall visually inspect, count, and verify the contents of the shipment. Supplier will refuse all shipments that have visible damage and will return shipment to its shipping origin with notification to Provider for disposition.
- 4.5 Order Handling & Processing.** Supplier will process all Provider's 3PL per the local agreed upon cut off and delivery times utilizing the existing account / ship to setup.
- 4.6 Insurance.** Supplier is not responsible for insuring 3PL Product being stored and will not maintain coverage for such 3PL Product. Provider is an authorized self-insured public entity for purposes of General Liability and warrants that through its program of self-insurance, it has adequate coverage or resources to protect against liabilities arising out of the performance of the terms, conditions or obligations of this Agreement. Supplier will not be liable to County, under any circumstances, for any consequential, special, indirect or incidental losses or damages, regardless of losses or damages resulting from 3PL Product shipments.
- 4.7 3PL Service Payment Terms.** Master Agreement payment terms shall apply to 3PL Services and Supplemental Services fees outlined in section III of this MOU.

4.8 Warranty. Supplier warrants that the 3PL Services will be performed with reasonable care in a diligent and competent manner consistent with industry standards. Should the 3PL Services not conform to this warranty, Provider must notify Supplier in writing, within ten (10) days after the 3PL Services are performed, specifying the non-conformance in details. Supplier will have a reasonable amount of time to correct the non-conformance based on its severity or complexity. This warranty set forth above is Supplier's only warranty concerning the 3PL Services, and is made in lieu of all other warranties and representations, express or implied, including any implied warranties of merchantability, non-infringement, or fitness for a particular purpose, or otherwise, all of which are hereby disclaimed.

4.9 Force Majeure If either party is prevented, hindered or delayed from the performance of any act required hereunder by reason of contingencies beyond its control, including without limitation, strike, lock-out, or other labor or industrial disturbances, fire, accidents to equipment, acts of God, legal process, injunctions or compliance with laws, regulations, guidelines or orders of any governmental body or instrumentality thereof, failure of power or any other similar reason not directly the fault of such party, or by reason of the other party or its agents, then performance of such act (other than payment of any amount when due hereunder) shall be excused for the period of delay and the parties may mutually agree that the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. Irrespective of any extension of time, if an event of Force Majeure occurs and its effect continues for a period of sixty (60) days, County may, in its sole discretion, terminate this Contract without any further obligation.

V. Termination

5.1 Termination for Cause. Either party may terminate this MOU for cause if the other party materially breaches the terms of this MOU and fails to cure such breach within thirty (30) days of receiving written notice of such breach, or as otherwise agreed by the Parties.

5.2 Limit of Liability. Neither party shall be liable to the other for any punitive or exemplary damages or loss, or any lost profits, savings or business opportunity, special, consequential, incidental, or indirect damages.

VI. Modification to MOU

Modifications to this attachment shall be mutually agreed upon with written agreement between the Parties.

3PL Data Requirements Tied to Item List

Data Needed for Each Item
Manufacturer Name
Manufacturer Item Number
Item Description
Item Length
Item Width
Item Height
Item Weight
Item Dollar Value
Base Unit of Measure
Sales Unit of Measure
Number of EA per SUOM?
Less Than Case Item?
Lot Control?
Expiration Date Control?
Serial Number Control?
Temperature Controlled Product?
Refrigerated Product?
DOT Hazardous Item Class
MSDS On File?

Attachment D

Return Goods Policy

Authorization

All returns must be authorized by Supplier prior to receipt. Product must be returned within 90 day of purchase. Authorizations are valid for 30 days. Return goods authorizations (RGAs) may be arranged either phoning Customer Service at 1 800-307-8386 or by contacting a Supplier sales representative. Unauthorized returns may be returned to Provider at Provider's expense, destroyed by Supplier at Supplier's discretion, or subject to additional charges without credit being issued to Provider.

Return Procedure

After obtaining an RGA, each return must include the following information:

- Provider's name, address and account number.
- RGA number.
- Original PO number or original Supplier order number.
- Lot number and expiration dates where applicable.

Return Policy

Defective Products are returnable with prior authorization. Non-defective Products may be returned, provided Provider has obtained prior authorization from Supplier, if such Products are in salable condition and suitable for restocking. Freight and restocking may apply as noted in the Restocking Fee Scheduled listed below. Product must be returned within 90 days of receipt.

The following conditions will not be considered for return.

- Products purchased more than three months prior to return request.
- Products considered hazardous materials.
- Special or custom Products made to Provider specifications or sold as non-returnable.
- Products returned in altered or damaged packaging, or in packaging other than original packaging.
- Refrigerated items.
- Packs broken, breached or damaged.
- Products in unsalable units of measure where product cannot be resold.
- Returns prohibited by state law*.
- Products with less than 3 months shelf life remaining based on expiration dates.
- Third party vendor Products that require a vendor return authorization are subject to the vendor's return policy and applicable fees.
- Issuance of an RGA number does not guarantee credit. Credit issuance is dependent on confirmed receipt/review of returned Products and is subject to the other terms of this policy.

*Each state has individual Pharmacy laws, all returns are subject to approval of Medline Regulatory Affairs.

Damages or Shortages

In an effort to minimize any delay in resolving a damage or shortage claim, Provider is required to count all receipts prior to Provider's acceptance of delivery from the carrier. All damages or shortages must be noted on the carrier's freight bill or bill of lading and be countersigned by the Provider. The damaged Products must remain in the original carton, in the event inspection is required by the transportation company. Provider must

notify Supplier of any damages in transit or product shortages within two (2) business days of receipt, or Supplier shall have no obligation to process credit or arrange for Product replacement. Contact Customer Service at 1-800- MEDLINE or a Supplier sales representative to report damages or shortages.

Products Shipped in Error by Supplier

Provider must notify Supplier of any shipping errors or disputes within two (2) business days of receipt. Products shipped in error by Supplier are freely returnable for full credit, provided that such returns are made within thirty (30) days of receipt.

Defective Product

Defective Product, properly noted damaged Product and returns that are the result of a Supplier error may be returned at Supplier's expense and for a full credit, subject to the other provisions of this policy.

Restocking Fee Schedule

Return from Date of Invoice	Re-Stocking Fee Percentage
0 – 30 Days	5.00% / \$25.00 minimum + Freight
31 – 60 Days	10.00% / \$25.00 minimum + Freight
61 – 90 Days	20.00% / \$25.00 minimum + Freight
Greater than 90 Days	Not returnable unless expressly approved prior to receipt – contact your Sales Representative for additional information.

For authorized returns to Provider's primary branch returning via MedTrans, no freight charges will be assessed.

Attachment E Additional Distribution Services

If County chooses to utilize Medline for the following distribution Services, fees associated for these services are as follows:

Bulk Distribution Services:	Fee
Plastic Pallets utilized for product delivery to dock (vs. wood pallets)	TBD
Non-Traditional, non-contract, & capital equipment	Locally Negotiated

LUM Distribution Services:	\$ Fee / %
LUM Total Liners	\$0.25/tote

Product Related Fees:	Fee
Hazardous Products	5.00%
Contract Laboratory Products – Bulk (if not the prime vendor for lab distribution services)	5.00%
Contract Plated Media – Bulk (if not the prime vendor for lab distribution services)	5.00% + Freight
Free infant formula will be assessed a separated distribution fee	\$2.95/cs
Refrigerated Shipments	\$30/order

Service Related Fees:	Fee
Reprocess Order Fulfillment/Inventory Management – Non-Medline Reprocessing Services	5.00%
Lot sequestered inventory – Supplier will purchase, hold, and manage up to six months inventory for a single item(s), account specific	3.00%

Note: All Distributed Service Fees listed above are additive to existing base fee(s), unless otherwise noted not as such.

Logistical Related Fees:
Complete Logistical Assessment – Full process flow, staff alignment, Bulk to LUM and lean analyses
Consignment
Storage Area Design
Additional exterior delivery points, offsite delivery service, or Inside Delivery (Move beyond the loading dock area)
LUM Picked by Department Ship-To Delivered to Dock in totes on carts
SEAL – Suture and Endo-mechanical Advanced Logistics program
Third Party Logistics Services (3PL) – Storage and redistribution of Provider owned inventory
Additional Custom Services per request – Example: Custom Pallet Architecture
Par Level Assessment
Backhaul Service
Two Bin Point of Use
Best unit of measure analysis (streamlining orders to highest unit of measure where it makes sense)
Corrugate De-Casing for the OR and/or other areas
Additional weekday and/or weekend delivery days
Clinical Inventory Management Platform
Emergency Action Plan and Disaster Preparedness

***Quoted individually based on volume and service offering. Each Service requires an Addendum or Statement of Work.**

Attachment F

Product Rebate Program

The Parties hereby agree to the following terms and conditions tied to a rebate program for Contractor's private-label product, as set forth below:

Rebate Program.

1. **Committed Product Category.** Contractor is offering County certain rebates in consideration for certain purchase commitments by County in agreed-upon categories of Medline branded products (each, a "Committed Product Category").
2. **Definitions:**
 - **Net Sales:** Aggregate gross product sales minus all adjustment, including discounts, GPO administrative fees, fees, credits, bad debt, third party contracting service fees, and all other adjustments that reduce sales.
 - **Products:** The Medline brand medical products offered for sale hereunder by Contractor for the Committed Product Categories designated below.
3. **Term.** The Rebate Program shall become effective on September 1, 2021 (the "Effective Date") and shall remain in effect through February 28, 2022 (the "Term"). The Rebate Program is non-renewable.
4. **Rebate Components.**
 - 4.1 **Purchase Commitment.** To qualify for a rebate under this Rebate Program, County must purchase ninety percent (90.00%) of its requirements of the Products offered by Contractor under this Rebate Program for each of the selected Committed Product Category designated below during the Term. County must commit to a minimum of two Committed Product Categories in both Tier 1 and Tier 2, and an additional Product Committed Product Category in Tier 3, for a minimum of five (5) designated Committed Product Categories.

Committed Product Category Designation

Tier 1: 2.00% Rebate						
Place X in Selected Category	TWC	Plastics	OR Accessories	Laps and Towels	Electrodes	Yankauers + Suction Tubing
	X				X	

Tier 2: 4.00% Rebate						
Place X in Selected Category	Patient Bathing, (must include CHG)	Incontinence	Skin Care	MPTs (including disposable instruments)	Foam Positioners	General Anesthesia
	X	X				

Tier 3: 7.00% Rebate					
Place X in Selected Category	Renewal	Comfort Glide, including Heel boots	AWC	SPT	Instruments, (min \$200K)
	X				

4.2 **Rebate.** In the event County meets its Purchase Commitment as set forth in Section 4.1 of this Amendment, Contractor will pay County a rebate on County's purchase of Products for each achieved Committed Product Category pursuant to the rebate amount for each Product's respective Tier level.

To qualify for payment of a rebate, County must meet its Purchase Commitment for the agreed upon Committed Product Category as set forth in Section 4.1. Although County shall commit to Committed Product Categories in more than one Tier, County will be paid a rebate corresponding to the rebate percent attributed to each specific Committed Product Category. Notwithstanding the foregoing, in the event County meets all its Purchase Commitments for all agreed upon Committed Product Categories for more than one Tier, Contractor agrees to pay a rebate percent for all Products purchased equal to the rebate percent for highest Tier earned by County. If County meets its Purchase Commitment in one of two agreed upon Committed Product Categories within a Tier, County shall be entitled to the percentage of Net Sales applicable to the Committed Product Categories' corresponding Tier.

For example, if County selects two Committed Product Categories in Tier 1, two Committed Product Categories in Tier 2, and two Committed Product Categories in Tier 3, and County meets its Purchase Commitment for all six Categories, Contractor shall pay County a rebate equal to 7.00% of Net Sales for all Product purchases under all six Committed Product Categories. *However*, in the event County only meets its Purchase Commitment for the two Committed Product Categories in Tier 1, the two Committed Product Categories in Tier 2, and one Committed Product Category in Tier 3, Contractor will pay County a rebate equal to 4.00% for the Tier 1 and Tier 2 Product purchases, and 7.00% for Product purchases for the one Committed Product Category met in Tier 3. County shall not be entitled to any rebate for the Product purchases within the second Committed Product Category in Tier 3 that was unmet.

- 4.3 **Rebate Payment Terms.** The rebate tracking period will be from September 1, 2021 through February 28, 2022. Rebate shall be paid within sixty (60) days after the end of the Rebate Agreement.

5. **Standard Terms and Conditions**

- 5.1 **Compliance with the Discount Safe Harbor.** It is the Parties' intent that the Rebate Program shall be administered consistent with the discount exception to the federal anti-kickback statute (42 USC 1320a-7b(B)(3)(A) and the related regulatory discount safe harbor (42 CFR 1001.952(h)). County and/or its facilities will report any discounts or rebates earned and paid under this Rebate Program on its/their institutional cost report(s), or otherwise disclose the amount of the discount or rebate to the appropriate federally funded program, in compliance with the discount safe harbor provisions of the Anti-Kickback Statute and its implementing regulations. 42 CFR § 1001.952(h). All discounts and rebates will be provided based on purchases of products within a single fiscal year of County, and the terms of the discounts and rebates are fixed as set forth in this Amendment. Contractor will provide County with notice on invoices of County's obligation to fully and accurately report the amount of any earned discounts or rebates in compliance with the safe harbor provisions and to provide information concerning the discounts and rebates to the Secretary of the United States Department of Health and Human Services or any applicable state Medicaid agency, if requested. Contractor will also disclose the amounts of the discounts and rebates in writing to County at the time of purchase on the invoice or at such time as the discounts or rebates are ascertainable. Medline shall promptly provide to County any additional documentation requested by County relating to its purchases and discounts/rebates received hereunder as County deems necessary to facilitate its reporting obligations.

All provisions of the Agreement remain in full force and effect, and unchanged, except the aforementioned.