



SWISSLOG HEALTHCARE

Proposal for InSite® In-Facility Medication Packaging and Dispensing System

Prepared for:

San Bernardino County Sheriff Division – Central Detention Center
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San Bernardino, CA 92415
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Date: April 21, 2021 V4

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Sales Proposal - Definition & Purpose

This sales proposal (hereinafter referred to as “Proposal”) provides details on the Recommended Solution including product and pricing details. It also highlights key considerations, such as our execution processes, implementation processes, and roles and responsibilities. This Proposal is a legally binding document and signatures by both parties are required in order to move forward with implementation and planning.

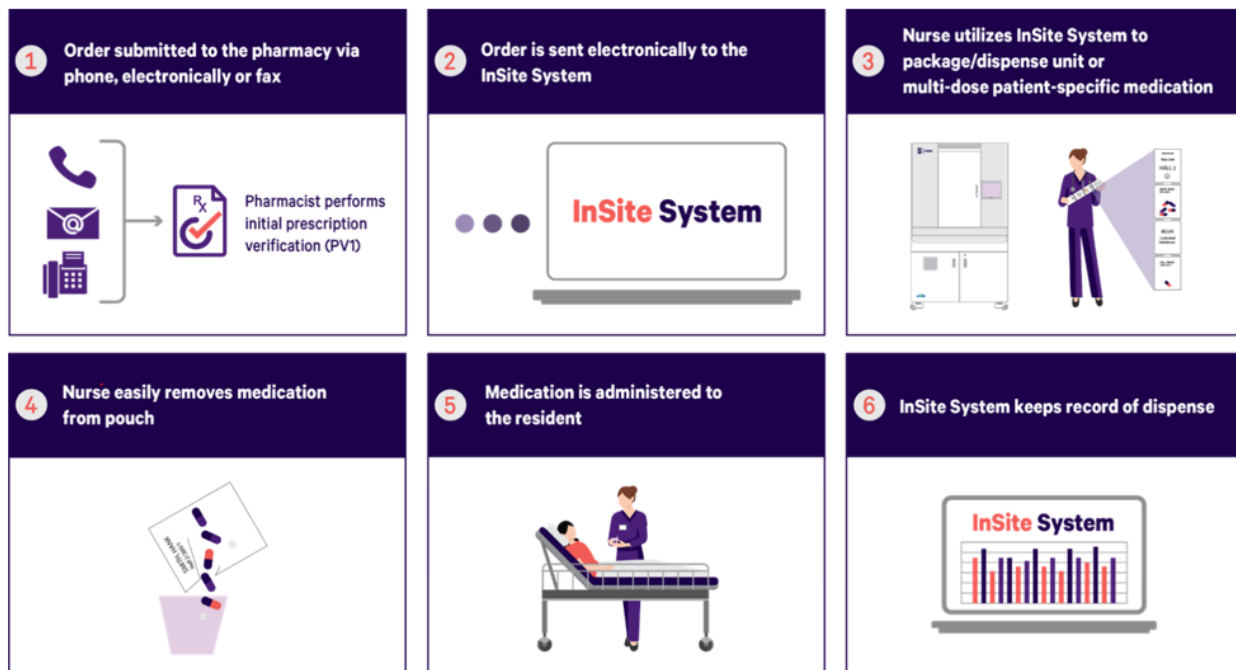
Partnering with Swisslog Healthcare

At Swisslog, we strive to lead change for better care. At the core of this vision is a focus on improving workflows and reducing the time clinicians spend doing routine and repetitive tasks – enabling more time to care for patients and residents. In addition to long-term care automation, our solutions and services extend across the continuum of care, including transport, medication and supply chain automation for hospitals and health systems.

Headquartered in Buchs, Switzerland, Swisslog Healthcare has been delivering best-in-class automation solutions for more than 100 years. We are a global organization with 2,500 talented employees in more than 20 countries on four continents and customers in more than 50 countries.

Transforming Medication Management for Long-Term Care

Swisslog Healthcare, a market leader in pharmacy automation solutions, is transforming medication management for long-term care facilities and pharmacies. Our InSite system enables secure, automated medication dispensing on location at long-term care facilities to deliver pharmacist-approved, on-demand medication 24/7/365. The InSite packaging system is graphically shown below:



Recommended Solutions

Swisslog Healthcare proposes to San Bernardino County- Central Detention Center the solution(s) listed below in Table 1 and Table 2, and Table 3 which are described and detailed throughout this Proposal to be implemented in accordance with the agreed upon project plan and Master Purchase and Services Agreement. Further, Table 4 documents the service and support solutions for the recommended hardware and software.

Table 1. Pharmacy Hub Hardware & Software

Quantity	Product	One-Time Price
	InSite Pharmacy System (HUB) Hardware Platform including: Workstation and touchscreen monitor Wireless mouse and keyboard 2 Direct thermal printers Laser printer Canister chip writer Automated pill counter InSite consumables starter kit	\$ 0.00
	InSite Pharmacy HUB Software License: InSite HUB software license Microsoft Windows licenses Microsoft SQL licenses	\$ 0.00
	InSite Pharmacy Implementation Services: Integration with pharmacy information system Pharmacy HUB installation and set-up Three-day in-pharmacy training and launch support White-glove shipping and handling	\$ 0.00
	Total Pharmacy Hub Hardware and Software Solution	\$ 0.00

Note: All software licenses included in Table 1 above are nonexclusive, nontransferable, revocable and terminal. InSite software is nonembedded software.

Table 2. Facility Hardware & Software

Quantity	Product	One-Time Price
1	InSite Packager System including: InSite In-Facility dispensing unit Scanner and printer InSite unit cleaning kit InSite consumables starter kit	\$75,000.00
320	Pharmacy Controlled Canister Allotment 'Smart' medication canisters (See Notes for additional terms)	Included in Packager Cost
1	InSite System Software License: InSite Software automates long-term care in-facility, on-demand medication packaging and delivery	\$20,000.00
1	InSite Facility Implementation Services including: On-site facility implementation survey Integration with pharmacy information system InSite System installation and set-up Two-day in-facility training and launch support White-glove shipping and handling	\$25,000.00
Total Facility Hardware and Software Solution		\$120,000.00

Note: All software licenses included in Table 2 above are nonexclusive, nontransferable, revocable and terminal. InSite software is nonembedded software.

Table 3. Total Price for Pharmacy Hub and Facility Hardware and Software

Quantity	Product	One-Time Price
	Total Pharmacy Hub Hardware and Software from Table 1	\$ 0.00
1	Total Facility hardware and Software from Table 2	\$120,000.00
Total Price for Hardware and Software		\$120,000.00
One Time Discounted Price for Hardware and Software		\$94,800.00
Tax		\$8,295.00
Total Price Hardware and Software Including Tax		\$103,095.00

Support & Maintenance

Support and maintenance Fees are provided below and are based on the configuration above. Customers are free to choose a one (1) year service contract or lock in discounted prices for a 3-year or 5-year agreement at the prices shown in Table 4. Consumables and canisters (over the quantity in the initial starter kits and additional allotments specified in the tables above) shall be ordered and paid for on an as necessary basis.

Table 4. Facility and Pharmacy Support and Maintenance

Quantity	Description	Price Per Unit	Extended Price
1	Ongoing InSite Unit Monthly Support Hardware Maintenance: In-facility preventative maintenance every 6 months In-facility break fix service (as needed)	\$850.00	\$850.00
1	InSite Software Maintenance: InSite System software updates 24/7/365 telephone and email software technical support	\$250.00	\$ 250.00
0	Ongoing Pharmacy Management Monthly Support Hardware Maintenance: In-facility break fix service (as needed)	\$100.00	\$ 0.00
0	Pharmacy Management Software Maintenance: Pharmacy management software updates 24/7/365 telephone and email software technical support	\$250.00	\$ 0.00
Total Extended Monthly Maintenance Price			\$1,100.00
Total Extended Yearly Maintenance Price (1-Year)			\$13,200.00 Tax \$1,155.00 Total \$14,355.00
Total Extended Yearly Maintenance Price (3-Year)			\$39,600.00 Tax \$3,465.00 Total \$43,065.00
Total Extended Yearly Maintenance Price (5-Year)			\$66,000.00 Tax \$5,775.00 Total \$71,775.00

Table 5. Additional Consumables and Canisters

Part Number	Quantity	Description	Price
200-00133-00	1	Paper Includes: White/Clear packager paper – 1 case (6 rolls)	\$481.80
200-00105-00	1	Ribbon Includes: Packager ribbon for printing - 1 case (12 rolls)	\$411.84
Various	1	Canisters Includes: Medication-specific smart-chip canister	128.75

Prices contained in the Table 5 are current prices. These prices are subject to change due to normal escalation.

Terms and Conditions

- 1) Master Purchases Agreement - This Proposal shall be incorporated and subject to the terms and conditions of the Master Purchase and Services Agreement located at [Swisslog Purchase and Service Master v5](#). Both documents shall become legally binding between the organizations upon customer signing the proposal. Terms and conditions contained in this proposal supersede any PO terms and conditions provided by the customer.
- 2) Term - The term of this agreement shall commence from the date this proposal was executed and extend until the number of years of the service contract selected in Table 4 (1 Year, 3 Years or 5 Years) from the date of go live of the packager. In the case of a multi-unit deal, the term shall commence from the date this proposal was executed and extend until the number of years of the service contract selected in Table 4 (1 Year, 3 Years or 5 Years) from the date of the last packager to go-live. Considering that the County already has an active service agreement in place, any additional years purchased will be added on/implemented once the current agreement expires.
- 3) Payment terms
 - a) For all equipment and software solutions:
 - 30% down payment due at time of Purchase Order issuance
 - 60% upon delivery of materials to the customer. If multiple units are ordered, payment shall be due upon delivery of the first packager.
 - 10% upon customer acceptance as defined in Item 14 below. If multiple units are ordered, payment shall be due upon customer acceptance as defined in Item 14 below of the first packager.
 - b) Payment terms for support are:
 - 100% of annual support fee payable upfront upon customer acceptance defined in Item 13 below.
 - Support term shall commence upon customer acceptance as defined in Item 14 below.
 - c) Payment terms for consumables or additional canisters are:
 - Consumables are purchased as needed and will be invoiced separately.
 - Payment is Net 60 from date of invoice

- 4) Shipping and Storage - This proposal includes all freight expenses to the site. If multiple packagers are ordered, all equipment shall be shipped no later than 6 months from execution of this proposal. If customer is not ready to accept the equipment at this time, Customer shall pay for appropriate storage of the unit. Should storage be necessary, Swisslog shall only be responsible for shipping to the storage location. Movement of the machine from the storage location to the eventual operation site shall be governed by the terms in Item 18 below.
- 5) Taxes – Unless otherwise noted on this proposal, sales and use taxes are excluded. Should Swisslog Healthcare be required to pay sales, use or any other taxes as a result of this proposal, the customer agrees to reimburse for same. If pharmacy or facility qualifies as Tax Exempt, a current copy of the certificate must be included with the Purchase Order.
- 6) Proposal Validity - This proposal is valid for 90 days from the date on page one.
- 7) Form of Contract - To ensure a timely transition to implementation, the Client agrees to perform one of the following options:
 - Execute this proposal and submit a Purchase Order (PO) no later than ten (10) days from date of execution. **The Purchase Order must clearly and expressly reference this proposal, state the total price for included in Table 3 and state the total price and term for the Facility and Pharmacy Support and Maintenance option selected.**
 - In the case where a Client is not set up to issue a PO, the Client shall execute this agreement. The signed agreement shall serve as Swisslog's authorization to bill against in lieu of a PO.

In either case, the Client shall indicate to Swisslog their intention to issue a PO by filling in the appropriate check box in the Acceptance section of this proposal on page 12.
- 8) Service Contracts
 - a) The Central Detention Center facility is already currently under an existing service contract until 3/31/22.
 - b) The service pricing offered within this proposal as shown in Table 4 will be made available and stay constant in yearly increments until 3/31/26 contingent upon San Bernardino Sheriff's department purchasing a new unit to replace the end-of-life unit (2007 vintage) currently in operation at the facility.
- 9) Canisters - Included in this proposal is a total quantity of canisters shown in Table 2. Swisslog will work with the Customer to define to total number of upfront canisters needed for go-live. The remaining canisters must be ordered within nine (9) months of the packager go-live date at which time the allotment shall expire. This allows some flexibility for the customer to finalize their formulary and the opportunity to modify it over a 9-month period. Any canisters ordered by the customer that exceed the remaining allotment or that are ordered after the 9-month period will be purchased at the prices listed in Table 5. Furthermore, Swisslog will warrant canisters provided to the customer for a period of 45 days. Medications found to either not work properly with the Swisslog provided canister or medications that have undergone a size change from the manufacturer that are within the 45-day warranty period will be credited and Swisslog will work with the Customer to find a suitable replacement. No credit or replacement will be offered under the same conditions

when the canisters are beyond the 45-day warranty period. Furthermore, canister order cancellations will be accepted up to the time when the canisters are shipped to the Client. Canister order cancellations that occur after the canisters are shipped will not be accepted.

- 10) Consumables - To ensure reliability and proper functionality of the system, the Customer is required to only utilize consumables and canisters (Table 5) ordered through Swisslog Healthcare. These consumables are designed to work with the machine properly. Introduction and use of third-party consumables is prohibited and would void any warranty and be considered a breach of the contract. Furthermore, if service calls are found to be a direct result of Customer utilizing non-approved consumables, the cost for that service visit shall be the responsibility of the Customer.
- 11) Facility Preparation - Customer will be solely responsible, at its expense, for ensuring that each installation site complies with all site requirements prior to installation (including without limitation, making all required facility modifications to the installation site and/or the premises on which such installation site is located, such as removing doors or windows) and obtaining necessary permits. Upon request, Customer will provide written evidence that all permits have been obtained. Customer will be solely responsible for compliance with any applicable building codes in connection with the installation of the Hardware.
- 12) Pre-Implementation - During pre-implementation planning, Customer and Swisslog Healthcare will mutually agree on an installation date for each System. Swisslog Healthcare will give Customer written or email confirmation of such agreement. In consideration of receipt of Customer's payment of fees due prior to installation, Swisslog Healthcare will install each item of the System at the applicable site on the scheduled date; provided Customer timely performs its obligations and does not otherwise cause any delay during pre-implementation or installation.
- 13) Training - In conjunction with the installation, at no additional cost to the Customer, Swisslog Healthcare will be on site a minimum of two (2) days at the pharmacy and three (3) days at the facility. During this time, Swisslog will conduct user and general maintenance training. The training schedule is flexible and will be developed in conjunction with the facility, however, it is expected that training will be conducted between the hours of 8:00am and 5:00 pm local time. If additional training is requested by Customer or training is requested outside of normal hours, such additional training will be provided by Swisslog Healthcare at its then current rates (plus reasonable travel and out of pocket expenses). Training is intended for super users who, in turn, will be able to train additional Customer personnel.
- 14) Equipment Acceptance - The equipment and software will be deemed to have been accepted and correctly installed at the earliest achievement of any of the following milestones: a) sign-off and acceptance of Appendix A – Hardware/Software Acceptance Criteria; b) the customer receives beneficial use of the dispensing equipment or c) 120 days after the delivery of the equipment to the Customer.
- 15) Superusers - Customer will appoint at least two individuals per physical location to be approved and certified by Swisslog Healthcare in the operation of the System. It is advantageous for these individuals to serve as the primary contacts between Customer and Swisslog Healthcare regarding any interaction they may have in connection with any service call.



- 16) Access - Customer will provide Swisslog Healthcare and its subcontractors with all assistance reasonably requested for purposes of providing support, including without limitation, adequate access to the applicable physical location of the System during or after Customer's business hours, as well as high-speed remote access at all times.
- 17) System Supervision - Customer will be solely responsible for (i) providing appropriate supervision and management of the use of the System by its personnel and agents and (ii) the implementation of any backup facilities and/or plans for all computer programs and data in the event of errors or malfunction of the System. Support for browser and Internet connections are Customer's responsibility.
- 18) Relocation - If Customer requests any item of Hardware to be relocated and re-installed at a new installation site (provided that such new installation site meets the applicable site requirements and all necessary permits have been obtained by Customer regarding such installation site), Customer will pay for such relocation and re-installation at Swisslog Healthcare's then current rates or at a negotiated price. Customer will be solely responsible for, and Swisslog Healthcare will have no liability or obligation with respect to, restoring the installation site and the premises after the removal or relocation of any Hardware. Furthermore, any new tax implication created by relocating the Hardware to a new location shall be the obligation of the Customer.

Roles and Responsibilities

There are several roles and responsibilities that will be identified during the implementation process that will be crucial for the overall success of the project. The tables below list both general and IT-related responsibilities and the expectation of ownership during the implementation process.

General Roles & Responsibilities	Swisslog	Customer
This proposal includes all equipment upgrades until shipment leaves the factory.	X	
Installation of InSite System and Software	X	
On-site delivery and transportation of InSite System	X	
Storage costs (if necessary) or providing on-site storage. Note: if storage is necessary it should be temperature-controlled environment.		X
Electrical: Provide electrical supply for all components, to specification, with connections to the InSite packager and workstation.		X
Complete preparation of the space, including any remodeling or modifications needed, including removal and replacement of existing doors, walls, wall coverings, ceilings, floor coverings, if required. This also includes all related code or compliance issues.		X

General clean-up of installation area, collection of packing materials into waste receptacles	X	
Disposal of general waste materials, non-hazardous installation debris		X
Clean-up, where required, and as associated with compliance inspections		X
Permits, inspections, fees and taxes associated with all permits, mandates or compliance costs required by local jurisdictions or other regulatory authorities		X
The Swisslog Healthcare installation schedule is based on timely milestone coordination. Delays in Customer response may result in delays in project completion and additional costs.		X
Swisslog Healthcare installation personnel must have reasonable access to the facility loading dock and a clear path from the dock to the installation area, including use of elevators as required.		X
Typical installation activities take place during normal business hours, with longer days for efficiency, such as 7:00 AM to 5:00 PM. Work schedules will be coordinated with pharmacy and construction staff, and typically involve ten-day schedules, including weekends. If your project requires unusual installation times, additional costs will be billed separately.		X
Customer's formulary data will be provided to Swisslog Healthcare in an approved file format for import into the Swisslog Healthcare system for review and approval.		X
Swisslog Healthcare utilizes the train-the-trainer approach, and our standard equipment training will be provided for up to four (4) super-users. This ratio of trainer to super-user is optimal for knowledge transfer with this important hands-on training. Other options for training should be discussed with your sales consultant. Please note that training will be conducted during regular business hours, Monday through Friday. Additional training can be provided at standard rates plus travel expenses, or at our Automation Academy.	X	X

IT Roles and Responsibilities	Swisslog	Customer
Provides the server Hardware/VM for the installation of the InSite system, as outlined in the current specification requirement documents, including operating systems and SQL database licensing, as required		X
Network connections and cabling to support related computers and peripherals		X
Interfaces/Integration: All third-party costs associated with the licensing or implementation of interfaces to Swisslog Healthcare		X
Patient Medication Orders/Dispensing Interface: Receiving and processing medication dispensing requests from hospital clinical information system/EHR/pharmacy information system (HIS to Swisslog Healthcare, standard interface is HL7-RDE)	X	
Routine operating system and computer maintenance functions, including servers and PCs: Operating system patches, security updates service packs; general maintenance and optimization of operating system; management of anti-virus software and policies		X
Provide electrical power and sufficient back-up for each InSite system		X
Ensure a temperature-controlled environment to meet drug storage requirements		X



Customer Acceptance

By executing this proposal, the Customer agrees to the terms and conditions within the proposal. The customer shall provide a PO consistent with Item 7 in the Terms and Conditions section of this proposal. If a PO cannot be provided, then the customer shall indicate so by checking the appropriate box below and this signed agreement shall serve as the basis used to bill against.

Please check the appropriate box below:

☐ Yes	A Purchase Order will be provided that is consistent with the requirements listed in Item 7 of the Terms and Conditions listed within this proposal
☐ No	A Purchase Order will not be provided, and this executed proposal shall be used as a basis to bill against.

Please check the appropriate box below indicating the duration of service contract selected:

☐	No Service Agreement at this time. Customer will renew service at the end of the current service term.
☐	One-Year Agreement
☐	Three-Year Agreement
☐	Five-Year Agreement

Due to the COVID-19 pandemic, pursuant to the Uniform Electronic Transaction Act (Cal. Civ. Code §§ 1633.1 to 1633.17), and the San Bernardino County Board of Supervisors Resolution No. 2020-030, the parties have agreed to the use of electronic, facsimile, and/or digital signatures in the execution of this Contract and any of its subsequent amendments.

Translogic Corporation dba Swisslog Healthcare

Jennie McQuade
Authorized Signature

Jennie McQuade
Print Name

Secretary
Title

April 21, 2021
Date

Swisslog Healthcare
11325 Main Street
Broomfield, CO 80020
USA

County of San Bernardino

Client

Authorized Signature

Curt Hagman
Print Name

Chairman, Board of Supervisors
Title

Date

Purchase order

Appendix A - InSite® Hardware/Software Acceptance Criteria

Installation

- ☐ Assembled and connected all hardware as described on the hardware list
- ☐ Installed hardware in location acceptable to Partner
- ☐ Placed and secured all covers
- ☐ Placed and secured all cabling

Network Connectivity

- ☐ Verified that the system is configured for order processing

Workstation Performance

- ☐ Loaded Software on workstation
- ☐ Verified communication with all components

Packaging Performance

- ☐ Produced 200 packages filled from canisters with no errors
- ☐ Verified packet edge alignment is $\pm 2\text{mm}$ for all tests

Canister Performance*

- ☐ Confirmed each canister is certified through the canister testing protocol *
- ☐ Labeled canisters with appropriate build labels
- ☐ Confirmed build barcode is formatted and able to be read by Pharmacy Workstation
- ☐ Installed a desiccant in each canister

*Canister Performance is measured only for those canisters installed as of the Acceptance Date

Printing Performance

- ☐ Verified print is clear and legible on the labels

Operational Performance

- ☐ Confirmed InSite Remote Dispensing System accepts and processes electronic fill requests
- ☐ Ensured orders are processed and medications are dispensed
- ☐ Verified all machine movements occur smoothly
- ☐ Verified all indicator lights and alarms operate
- ☐ Confirmed that canister refill notifications operate
- ☐ Ensured inventory counts decrement when dispensed

Training Received

- ☐ Provided client on-site training with Swisslog personnel per the contract



By executing this document, the customer agrees that Swisslog has met and demonstrated the items listed above and customer accepts the equipment as proposed.

Translogic Corporation dba Swisslog Healthcare

San Bernardino

Authorized Signature

Client

Authorized Signature

Print Name

Print Name

Title

Title

April 21, 2021

Date

Date

Purchase order



Appendix B - Requirements for InSite® In-Facility Medication Packaging and Dispensing System

InSite Configurations

The InSite Remote Dispensing System is a turnkey system that includes the hardware and software required. Only the software provided by Swisslog Healthcare may be loaded on the computer hardware provided as part of the InSite Remote Dispensing System. Additions to, updates to, or modification of the configuration provided, including use by Client of its own computer, without prior written approval by Swisslog Healthcare, will void the warranty.

InSite Canisters

Swisslog will work with the customer to define the initial compliment of canister for the purchased packagers. These canisters will be configured based on the Oral Solid List, as explained below. Calibration of individual canisters for the initial medications is included in the hardware price. Swisslog Healthcare warrants that the canisters will operate properly for the specified NDC (the National Drug Code is a unique 10-digit, 3-segment numeric identifier assigned to each medication listed under Section 510 of the US Federal Food, Drug, and Cosmetic Act) at the time of delivery to Client provided that the physical characteristics of the tablet have not been changed by the manufacturer since the canister was ordered. Further, Swisslog Healthcare is not responsible for the operation of the canister at time of delivery if a generic version to the specified NDC is used as an alternate. If the Customer orders a medication that is not in the Swisslog Healthcare canister order form (supplied at the kickoff meeting), the Customer may be responsible for providing measurements to calibrate the hardware. Swisslog Healthcare warrants that such canisters will be calibrated based on Client supplied measurements.

InSite Paper / Ribbon

Swisslog Healthcare is the sole source for the InSite packager paper and ribbon. Swisslog cannot guarantee system performance if the Client purchases paper or ribbon from a different vendor. Furthermore, if it is discovered through any means that non-Swisslog provided consumables are being used then the warranty on the equipment shall be immediately voided.

Formulary Requirements and Oral Solid List

During pre-implementation planning, Client and Swisslog Healthcare will mutually agree on the timing for Client's provision of an electronic list of its complete formulary, including oral solids to be packaged using the InSite packager (the "Oral Solid List"), using the template provided for on the following page. Client will provide list of medications to be used in the InSite packager hardware within such agreed upon time. Calibration of individual canisters for the initial medications is included in the hardware price. Delays in receipt of the Oral Solid List will delay delivery and installation of the Hardware.

Oral Solid List

Field Name	Description	Max Length
Mnemonic	The unique identifier for the medication. This field needs to exactly match the unique ID number the pharmacy information system sends in the Orders Interface.	50
NDC	The 9-digit NDC number used for identifying the specific product. This field must be entered in a 5-4 format and contain no additional characters. Multiple NDCs can exist for the same mnemonic and will be automatically substituted (based on closest expiry) by the system.	10
Drug Name	The trade name of the drug or, if your environment only uses generic name, generic drug name	50
Strength	The drug strength. NOTE: if the drug contains multiple strengths separate with "/", such as 500/50	10
Unit	The unit of measure for the drug strength. NOTE: if the drug contains multiple strengths separate with "/", such as mg/mg	10
Form	The form of the drug, such as TAB for tablet or CAP for caplet.	10
Schedule	The DEA classification of the medication based on its risk for abuse. This field must be an integer representing the schedule, i.e. 2, 3, 4, or 5. This field can be blank if it has no DEA classification.	1
Pack Alone	This field indicates whether the medication is always packaged in separate packet. This field must either be T for true or F for false.	1
Shape	The shape of the medication, such as Round.	10
Color	The color of the medication, such as White.	20
Marking	The physical marking on the medication, tablet identification, and/or scoring. This field is optional.	10
Manufacturer	The manufacture of the product. This field is optional.	25