

**CONTRACT #3
RFS # 343.49-71411
Edison # 21349**

**Department of Health
Communicable and
Environmental Disease
Preparedness**

**VENDOR:
Nashville Pharmacy Services,
LLC**



STATE OF TENNESSEE
DEPARTMENT OF HEALTH

JOHN J. DREYZEHNER, MD, MPH
COMMISSIONER

BILL HASLAM
GOVERNOR

January 21, 2015

Senator Bill Ketron, Chairperson
Attn: Leni Chick
Fiscal Review Committee
320 Sixth Avenue North, 8th Floor
Nashville, TN 37243

Mike Perry, Chief Procurement Office
Department of General Services
Tennessee Tower, Third Floor
Nashville, TN 37243

Dear Senator Ketron and CPO Perry:

This request is for approval of a contract amendment with Nashville Pharmacy Services, LLC. (RFS# 34349-71411) for oversight of the mail-order pharmacy services.

Nashville Pharmacy Services, LLC shall be responsible for ordering, receiving, storing and dispensing pharmaceuticals listed on the HIV Drug Assistance Program (HDAP) formulary and any formulary additions. Nashville Pharmacy Services, LLC has provided oversight of the mail-order pharmacy services since 2010 for the Tennessee Department of Health (TDH). Nashville Pharmacy Services, LLC shall order medications through the State's HDAP Coordinator and receive bulk shipments of medications from the State's contract wholesale vendor. In addition, Nashville Pharmacy Services, LLC shall store and manage the medications for the program according to "best practice" pharmacy conditions.

This contract amendment will be for continuity of services with Nashville Pharmacy Services, LLC, expiring on March 31, 2015, while the RFP process is completed and giving ample time for a smooth transition period for the new awarded vendor.. This contract amendment will allow Nashville Pharmacy Services, LLC to continue to provide oversight of the mail-order pharmacy services through July 31, 2015.

We appreciate your consideration for approval to proceed with this non-competitive contract amendment request. Thank you for considering for this request.

Sincerely,


John J. Dreyzehner, MD, MPH, FACOEM
Commissioner

5th Floor, Andrew Johnson Tower
710 James Robertson Parkway * Nashville, TN 37243
(615) 741-3111 * www.tn.gov/health

Supplemental Documentation Required for
Fiscal Review Committee

*Contact Name:	Terrie Nelson	*Contact Phone:	615-532-2206		
*Presenter's Name(s):	Eugene Neubert, Dr. Shanell McGoy, Tonya King				
Edison Contract Number: <i>(if applicable)</i>	21349	Edison RFS Number: <i>(if applicable)</i>	3439-71411		
*Original or Proposed Contract Begin Date:	July 1, 2010	*Current or Proposed End Date:	July 31, 2015		
Current Request Amendment Number: <i>(if applicable)</i>	FA1132129				
Proposed Amendment Effective Date: <i>(if applicable)</i>	April 1, 2015				
*Department Submitting:	Health				
*Division:	CEDEP				
*Date Submitted:	January 16, 2015				
*Submitted Within Sixty (60) days:	Yes				
<i>If not, explain:</i>	N/A				
*Contract Vendor Name:	Nashville Pharmacy Services, LLC.				
*Current Maximum Liability:	\$3,417,852				
*Current or Proposed Contract Allocation by Fiscal Year: <i>(as Shown on Most Current Fully Executed Contract Summary Sheet)</i>					
FY:11	FY:12	FY:13	FY:14	FY15	FY
\$668,033	\$867,894	\$456,769	\$693,660	\$731,496	\$
*Current Total Expenditures by Fiscal Year of Contract: <i>(attach backup documentation from Edison)</i>					
FY:11	FY:12	FY:13	FY:14	FY15	FY
\$668,032.25	\$814,396	\$639,434.85	\$594,938.75	\$199,476.50	\$
IF Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:			Due to fluctuation in enrollment as well as the difference of the time frame from State FY and Federal budget year the difference nets to the same.		
IF surplus funds have been carried forward, please give the reasons and provide the authority for the carry forward provision:			N/A		
IF Contract Expenditures exceeded Contract Allocation, please give the reasons and explain how funding was acquired to pay the overage:			Contract budget year is different than State fiscal year.		

Supplemental Documentation Required for
Fiscal Review Committee

*Contract Funding Source/Amount:		
State:		Federal: \$3,417,852
Interdepartmental:		<i>Other:</i>
If " <i>other</i> " please define:		N/A
If "interdepartmental" please define:		N/A
Dates of All Previous Amendments or Revisions: <i>(if applicable)</i>		Brief Description of Actions in Previous Amendments or Revisions: <i>(if applicable)</i>
Funding Revision #1		To reflect actual expenditures
Funding Revision #2		To reflect actual expenditures
Method of Original Award: <i>(if applicable)</i>		RFP
*What were the projected costs of the service for the entire term of the contract prior to contract award? How was this cost determined?		Unknown
*List number of other potential vendors who could provide this good or service; efforts to identify other competitive procurement alternatives; and the reason(s) a sole-source contract is in the best interest of the State.		N/A

FY11
 FY12
 FY13
 FY14
 FY15

Unit	Fiscal Yr	From Pe	To Perio	Voucher Line	Distrib	Invoice #	PO No	Vendor I	Vendor I	Address	Address	City	St	Postal	Merchandise	Pymnt Date
34301	2011	1	993	144061	1	1	Sep-10	27287	85184	Nashville	2222 State St	Nashville	TN	37203-18	\$53,601.00	10/26/2010
34301	2011	1	993	155844	1	1	Oct-10	27287	85184	Nashville	2222 State St	Nashville	TN	37203-18	\$74,345.25	11/24/2010
34301	2011	1	993	166587	1	1	Nov-10	27287	85184	Nashville	2222 State St	Nashville	TN	37203-18	\$82,314.00	12/21/2010
34301	2011	1	993	175122	1	1	12-2010	127287	85184	Nashville	5710 719 Thor	Nashville	TN	37204	\$70,813.50	1/20/2011
34301	2011	1	993	189522	1	1	Jan-11	27287	85184	Nashville	5710 719 Thor	Nashville	TN	37204	\$53,014.50	3/4/2011
34301	2011	1	993	200022	1	1	Feb-11	27287	85184	Nashville	5710 719 Thor	Nashville	TN	37204	\$60,256.50	4/1/2011
34301	2011	1	993	207394	1	1	Mar-11	27287	85184	Nashville	5710 719 Thor	Nashville	TN	37204	\$67,689.75	4/22/2011
34301	2011	1	993	215315	1	1	Apr-11	27287	85184	Nashville	5710 719 Thor	Nashville	TN	37204	\$66,448.75	5/16/2011
34301	2011	1	993	227166	1	1	May-11	42495	85184	Nashville	5710 719 Thor	Nashville	TN	37204	\$67,137.75	6/21/2011
34301	2012	1	993	239266	1	1	Jun-11	45295	85184	Nashville	5710 719 Thor	Nashville	TN	37204	\$72,411.25	8/8/2011
34301	2012	1	993	246006	1	1	Jul-11	45814	85184	Nashville	5710 719 Thor	Nashville	TN	37204	\$65,322.50	8/22/2011
34301	2012	1	993	257480	1	1	Aug-11	48311	85184	Nashville	5710 719 Thor	Nashville	TN	37204	\$79,327.75	10/5/2011
34301	2012	1	993	263620	1	1	Sep-11	50228	85184	Nashville	5710 719 Thor	Nashville	TN	37204	\$71,616.25	10/20/2011
34301	2012	1	993	275187	1	1	Oct-11	51890	85184	Nashville	5710 719 Thor	Nashville	TN	37204	\$69,615.50	11/25/2011
34301	2012	1	993	287380	1	1	Nov-11	53620	85184	Nashville	5710 719 Thor	Nashville	TN	37204	\$74,875.75	12/20/2011
34301	2012	1	993	298384	1	1	Dec-11	55200	85184	Nashville	5710 719 Thor	Nashville	TN	37204	\$67,323.25	1/24/2012
34301	2012	1	993	305974	1	1	Jan-12	57290	85184	Nashville	5710 719 Thor	Nashville	TN	37204	\$76,412.75	2/24/2012
34301	2012	1	993	328266	1	1	Feb-12	60733	85184	Nashville	5710 719 Thor	Nashville	TN	37204	\$67,349.75	4/6/2012
34301	2012	1	993	330956	1	1	Mar-12	61053	85184	Nashville	5710 719 Thor	Nashville	TN	37204	\$72,371.50	4/20/2012
34301	2012	1	993	339762	1	1	May-12	63283	85184	Nashville	5710 719 Thor	Nashville	TN	37204	\$57,240.00	5/12/2012
34301	2012	1	993	348733	1	1	May-12	64672	85184	Nashville	5710 719 Thor	Nashville	TN	37204	\$58,563.00	6/14/2012
34301	2013	1	993	360802	1	1	Jun-12	66094	85184	Nashville	5710 719 Thor	Nashville	TN	37204	\$54,378.00	7/27/2012
34301	2013	1	993	371004	1	1	Jul-12	69282	85184	Nashville	5710 719 Thor	Nashville	TN	37204	\$57,145.50	9/10/2012
34301	2013	1	993	371872	1	1	Aug-12	69282	85184	Nashville	5710 719 Thor	Nashville	TN	37204	\$58,617.00	9/19/2012
34301	2013	1	993	388016	1	1	Sep-12	69282	85184	Nashville	5710 719 Thor	Nashville	TN	37204	\$49,842.00	10/24/2012
34301	2013	1	993	397554	1	1	Oct-12	69282	85184	Nashville	5710 719 Thor	Nashville	TN	37204	\$56,241.00	11/20/2012
34301	2013	1	993	404983	1	1	Nov-12	69282	85184	Nashville	5710 719 Thor	Nashville	TN	37204	\$54,985.50	12/17/2012
34301	2013	1	993	417262	1	1	Dec-12	69282	85184	Nashville	5710 719 Thor	Nashville	TN	37204	\$50,287.50	1/17/2013

FY11														
34301	2013	1	993	426705	1	1	Jan-13	69282	85184	Nashville Site 5710.719	Thon Nashville TN	37204	\$54,418.50	2/19/2013
34301	2013	1	993	440799	1	1	Feb-13	69282	85184	Nashville Site 5710.719	Thon Nashville TN	37204	\$50,179.50	3/20/2013
34301	2013	1	993	455302	1	1	Mar-13	69282	85184	Nashville Site 5710.719	Thon Nashville TN	37204	\$50,584.50	4/22/2013
34301	2013	1	993	473124	1	1	FA11321	83142	85184	Nashville Site 5710.719	Thon Nashville TN	37204	\$53,542.50	6/11/2013
34301	2014	1	993	478451	1	1	May-13	83142	85184	Nashville Site 5710.719	Thon Nashville TN	37204	\$53,487.50	7/5/2013
34301	2014	1	993	479399	1	1	Jun-13	83142	85184	Nashville Site 5710.719	Thon Nashville TN	37204	\$50,103.85	7/22/2013
34301	2014	1	993	482277	1	1	Jul-13	85696	85184	Nashville Site 5710.719	Thon Nashville TN	37204	\$57,708.75	8/13/2013
34301	2014	1	993	499586	1	1	Aug-13	85696	85184	Nashville Site 5710.719	Thon Nashville TN	37204	\$53,721.25	9/16/2013
34301	2014	1	993	510650	1	1	FA11321	85696	85184	Nashville Site 5710.719	Thon Nashville TN	37204	\$52,332.50	10/16/2013
34301	2014	1	993	520284	1	1	FA11321	85696	85184	Nashville Site 5710.719	Thon Nashville TN	37204	\$55,206.25	11/14/2013
34301	2014	1	993	528282	1	1	FA11321	85696	85184	Nashville Site 5710.719	Thon Nashville TN	37204	\$47,313.75	12/11/2013
34301	2014	1	993	536930	1	1	FA11321	85696	85184	Nashville Site 5710.719	Thon Nashville TN	37204	\$53,583.75	1/13/2014
34301	2014	1	993	553322	1	1	FA11321	85696	85184	Nashville Site 5710.719	Thon Nashville TN	37204	\$55,247.50	2/24/2014
34301	2014	1	993	559190	1	1	FA11321	85696	85184	Nashville Site 5710.719	Thon Nashville TN	37204	\$47,918.75	3/18/2014
34301	2014	1	993	570656	1	1	FA11321	97801	85184	Nashville Site 5710.719	Thon Nashville TN	37204	\$45,031.25	4/15/2014
34301	2014	1	993	578669	1	1	FA11321	99598	85184	Nashville Site 5710.719	Thon Nashville TN	37204	\$45,573.50	5/28/2014
34301	2014	1	993	585308	1	1	FA11321	99598	85184	Nashville Site 5710.719	Thon Nashville TN	37204	\$40,861.00	6/13/2014
34301	2015	1	993	597146	1	1	FA11321	99598	85184	Nashville Site 5710.719	Thon Nashville TN	37204	\$40,440.50	8/7/2014
34301	2015	1	993	601874	1	1	FA11321	104002	85184	Nashville Site 5710.719	Thon Nashville TN	37204	\$43,746.50	8/19/2014
34301	2015	1	993	614858	1	1	FA11321	104002	85184	Nashville Site 5710.719	Thon Nashville TN	37204	\$39,744.50	9/23/2014
34301	2015	1	993	622312	1	1	FA11321	104002	85184	Nashville Site 5710.719	Thon Nashville TN	37204	\$39,817.00	10/15/2014
34301	2015	1	993	633103	1	1	FA11321	104002	85184	Nashville Site 5710.719	Thon Nashville TN	37204	\$42,572.00	11/17/2014
34301	2015	1	993	644629	1	1	FA11321	104002	85184	Nashville Site 5710.719	Thon Nashville TN	37204	\$33,596.50	12/18/2014

Pymnt M/E/T/ACH	Pymnt IC	Pay Stat	Redeem	Redeem	Handling	GL Unit	Account Fund	Dept	Location	Bo	UCNull	6-digit U	User	Cor	PgmNull	6-digit P
System Check	977905	Paid	Reconcile 10/29/20	RG		34301	7080400111000	343490219000			490340	490340	490340	100015	100015	100015
System Check	1045994	Paid	Reconcile 11/30/20	RG		34301	7080400111000	343490219000			490340	490340	490340	100015	100015	100015
System Check	1094746	Paid	Reconcile 1/6/2011	RG		34301	7080400111000	343490219000			490340	490340	490340	100015	100015	100015
Electronic PPD	671632	Paid	Reconcile 1/20/201	RG		34301	7080400111000	343490219000			490340	490340	490340	100015	100015	100015
Electronic PPD	727465	Paid	Reconcile 3/4/2011	RG		34301	7080400111000	343490219000			490340	490340	490340	100015	100015	100015
Electronic PPD	763647	Paid	Reconcile 4/1/2011	RG		34301	7080400111000	343490219000			490340	490340	490340	100015	100015	100015
Electronic PPD	792820	Paid	Reconcile 4/22/201	RG		34301	7080400111000	343490219000			490340	490340	490340	100015	100015	100015
Electronic PPD	824264	Paid	Reconcile 5/16/201	RG		34301	7080400111000	343490219000			490340	490340	490340	100015	100015	100015
Electronic PPD	869250	Paid	Reconcile 6/21/201	RG		34301	7080400111000	343490219000			490340	490340	490340	100015	100015	100015
Electronic PPD	930619	Paid	Reconcile 8/8/2011	RG		34301	7080400111000	343490219000			490340	490340	490340	100015	100015	100015
Electronic PPD	951302	Paid	Reconcile 8/22/201	RG		34301	7080400111000	343490219000			490340	490340	490340	100015	100015	100015
Electronic PPD	1005243	Paid	Reconcile 10/5/201	RG		34301	7080400111000	343490219000			490340	490340	490340	100015	100015	100015
Electronic PPD	1029187	Paid	Reconcile 10/20/20	RG		34301	7080400111000	343490219000			490340	490340	490340	100015	100015	100015
Electronic PPD	1074012	Paid	Reconcile 11/25/20	RG		34301	7080400111000	343490219000			490340	490340	490340	100015	100015	100015
Electronic PPD	1108093	Paid	Reconcile 12/20/20	RG		34301	7080400111000	343490219000			490340	490340	490340	100015	100015	100015
Electronic PPD	1147654	Paid	Reconcile 1/24/201	RG		34301	7080400111000	343490219000			490340	490340	490340	100015	100015	100015
Electronic PPD	1188567	Paid	Reconcile 2/24/201	RG		34301	7080400111000	343490219000			490340	490340	490340	100015	100015	100015
Electronic PPD	7366	Paid	Reconcile 4/6/2012	RG		34301	7080400111000	343490219000			490340	490340	490340	100015	100015	100015
Electronic PPD	26888	Paid	Reconcile 4/20/201	RG		34301	7080400111000	343490219000			490340	490340	490340	100015	100015	100015
Electronic PPD	69002	Paid	Reconcile 5/21/201	RG		34301	7080400111000	343490219000			490340	490340	490340	100015	100015	100015
Electronic PPD	103742	Paid	Reconcile 6/14/201	RG		34301	7080400111000	343490219000			490340	490340	490340	100015	100015	100015
Electronic PPD	162761	Paid	Reconcile 7/27/201	RG		34301	7080400111000	343490219000			490340	490340	490340	100015	100015	100015
Electronic PPD	217640	Paid	Reconcile 9/10/201	RG		34301	7080400111000	343490219000			490340	490340	490340	100015	100015	100015
Electronic PPD	234610	Paid	Reconcile 9/19/201	RG		34301	7080400111000	343490219000			490385	490385	490385	100015	100015	100015
Electronic PPD	280509	Paid	Reconcile 10/24/20	RG		34301	7080400111000	343490219000			490340	490340	490340	100015	100015	100015
Electronic PPD	317522	Paid	Reconcile 11/20/20	RG		34301	7080400111000	343490219000			490340	490340	490340	100015	100015	100015
Electronic PPD	354403	Paid	Reconcile 12/17/20	RG		34301	7080400111000	343490219000			490340	490340	490340	100015	100015	100015
Electronic PPD	392904	Paid	Reconcile 1/17/201	RG		34301	7080400111000	343490219000			490340	490340	490340	100015	100015	100015

Electronic PPD	434044	Paid	Reconcile 2/19/201:RG	34301	70804001.11000	34349021.19000	490340	490340	490340	100015	100015
Electronic PPD	477789	Paid	Reconcile 3/20/201:RG	34301	70902001.11000	34349021.19000	490340	490340	490340	100015	100015
Electronic PPD	522381	Paid	Reconcile 4/22/201:RG	34301	70902001.11000	34349021.19000	490340	490340	490340	100015	100015
Electronic PPD	589441	Paid	Reconcile 6/11/201:RG	34301	70902001.11000	34349021.19000	490340	490340	490340	100015	100015
Electronic PPD	630386	Paid	Reconcile 7/5/2013 RG	34301	70902001.11000	34349021.19000	490340	490340	490340	100015	100015
Electronic PPD	652280	Paid	Reconcile 7/22/201:RG	34301	70902001.11000	34349011.19000	495310	495310	495310	100015	100015
Electronic PPD	679037	Paid	Reconcile 8/13/201:RG	34301	70902001.11000	34349011.19000	495310	495310	495310	100015	100015
Electronic PPD	727234	Paid	Reconcile 9/16/201:RG	34301	70902001.11000	34349011.19000	495310	495310	495310	100015	100015
Electronic PPD	769437	Paid	Reconcile 10/16/20 RG	34301	70902001.11000	34349011.19000	495310	495310	495310	100015	100015
Electronic PPD	809234	Paid	Reconcile 11/14/20 RG	34301	70902001.11000	34349011.19000	495310	495310	495310	100015	100015
Electronic PPD	845373	Paid	Reconcile 12/11/20 RG	34301	70902001.11000	34349011.19000	495310	495310	495310	100015	100015
Electronic PPD	884249	Paid	Reconcile 1/13/201, RG	34301	70902001.11000	34349011.19000	495310	495310	495310	100015	100015
Electronic PPD	945367	Paid	Reconcile 2/24/201, RG	34301	70902001.11000	34349011.19000	495310	495310	495310	100015	100015
Electronic PPD	980755	Paid	Reconcile 3/18/201, RG	34301	70902001.11000	34349011.19000	495310	495310	495310	100015	100015
Electronic PPD	1022898	Paid	Reconcile 4/15/201, RG	34301	70902001.11000	34349011.19000	495310	495310	495310	100015	100015
Electronic PPD	1079698	Paid	Reconcile 5/28/201, RG	34301	70899001.11000	34349011.19000	495310	495310	495310	100015	100015
Electronic PPD	1106299	Paid	Reconcile 6/13/201, RG	34301	70899001.11000	34349011.19000	495310	495310	495310	100015	100015
Electronic PPD	1184082	Paid	Reconcile 8/7/2014 RG	34301	70899001.11000	34349011.19000	495310	495310	495310	100015	100015
Electronic PPD	1202752	Paid	Reconcile 8/19/201, RG	34301	70899001.11000	34349011.19000	495310	495310	495310	100015	100015
Electronic PPD	1250666	Paid	Reconcile 9/23/201, RG	34301	70899001.11000	34349011.19000	495310	495310	495310	100015	100015
Electronic PPD	1281119	Paid	Reconcile 10/15/20 RG	34301	70899001.11000	34349011.19000	495310	495310	495310	100015	100015
Electronic PPD	1330713	Paid	Reconcile 11/17/20 RG	34301	70899001.11000	34349011.19000	495310	495310	495310	100015	100015
Electronic PPD	1376863	Paid	Reconcile 12/18/20 RG	34301	70899001.11000	34349011.19000	495310	495310	495310	100015	100015

Rule Exception Request

Route completed request, as one file in PDF format, via e-mail attachment sent to: Agsprrs.Agsprsr@tn.gov

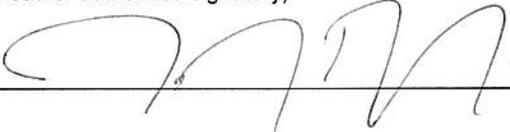
APPROVED

CHIEF PROCUREMENT OFFICER
 (Required for all Rule Exception Requests)

APPROVED

COMPTROLLER OF THE TREASURY
 (ONLY for applicable statutorily required approvals e.g., records, annual report and audit, or monitoring provisions)

Request Tracking #	34349-71411
1. Contract #	FA11321290
2. Goods or Services Caption	HIV/AIDS Mail-Order Delivery Services
3. Contractor	Nashville Pharmacy, LLC
4. Contract Period (with ALL options to extend exercised)	61 months
5. Contract Maximum Liability (with ALL options to extend exercised)	\$3,417,852
6. Rule(s) (for which the exception is requested) Please include citation and written explanation of Rule(s) to be excepted.	0690-03-01-.14(2)(c) Tennessee Department of Health, HIV/STD/AIDS program would like approval to add one (1) additional month, beyond sixty (60) months, to this contract to avoid interrupted services during the transition to the proposed vendor. 0690-03-01-.17(4) Tennessee Department of Health, HIV/STD/AIDS program would like approval to add the Term Extension clause to this contract to avoid interrupted services to the HIV/AIDS community as it relates to Insurance Assistance.
7. Explanation of Rule Exception Requested	B.2. <u>Term Extension</u> . The State may extend the Term an additional period of time, not to exceed one hundred-eighty (180) days beyond the expiration date of this Contract, under the same terms and conditions, at the State's sole option. In no event, however, shall the maximum Term, including all renewals or extensions, exceed a total of sixty one (61) months.
8. Justification	The Tennessee Department of Health Ryan White Part B funding is used to provide high quality, lifesaving medical care to eligible low income Tennesseans infected with HIV Disease. Medical care includes the provisions of outpatient/ambulatory services, pharmacy services, medical nutrition therapy, hospice services, home and community-based health services, mental health services and medical case management, including treatment adherence services and substance abuse outpatient care, oral health care, early

	<p>intervention services, health insurance premium and cost sharing assistance. These services assist People Living with HIV (PLWH) in accessing treatment of HIV infection that is consistent with Health and Human Services (HHS) Treatment Guidelines. This contract provides pharmacy services to eligible low income Tennesseans infected with HIV disease who cannot afford to purchase lifesaving drugs and do not have access to health insurance.</p>
<p>Agency Head Signature and Date (contracting agency head or authorized signatory)</p> <p> 1-21-15</p>	

Renewal or Extension Request

Route a completed request, as one file in PDF format, via e-mail attachment to: Agsprs.Agsprs@tn.gov. This request should ONLY be used for renewals or extensions of contracts. ANY other change to a contract requires an Amendment Request.

APPROVED

CHIEF PROCUREMENT OFFICER

DATE

Edison Contract Number #	21349
1. Procuring State Agency Name and five-digit Business Unit #	Department of Health # 34301
2. Contractor Legal Name	Nashville Pharmacy Services, LLC
3. Edison Vendor ID Number #	85184
4. Contract Begin Date	July 1, 2010
5. Current Contract End Date	March 31, 2015
6. Proposed Contract End Date – Provide the new contract end date if this Renewal or Extension Request is granted	July 31, 2015
7. Proposed Term of Contract Including all extensions and renewals	61 months
8. Confirm that there is a valid renewal or extension option remaining in the contract and confirm that there has been no other change to the contract's term and conditions – If there is not a valid renewal or extension option remaining in the contract, submit an Amendment Request instead. (Note: a contract cannot exceed sixty (60) months without an approved Rule Exception Request and Contract Amendment.)	YES <input type="checkbox"/>
9. Confirm this renewal or extension does not require an increase to the Contract's Maximum Liability or Estimated Liability. – If additional funds are required, submit an Amendment Request instead.	YES <input checked="" type="checkbox"/>
10. Confirm that all necessary due diligence has been performed and it is in the State's best interest to renew or extend the contract. – Considering such items as contractor performance, pricing, etc.	YES <input checked="" type="checkbox"/>
Authorized Procuring State Agency Signature and Date	
 1-21-15	

Amendment Request

Route a completed request, as one file in PDF format, via e-mail attachment sent to: Agsprs.Agsprs@tn.gov

APPROVED

CHIEF PROCUREMENT OFFICER

DATE

Request Tracking #	34349-71411	
1. Procuring Agency	Department of Health, HIV/STD Program	
2. Contractor	Nashville Pharmacy Services, LLC	
3. Contract #	FA11321290	
4. Proposed Amendment #	1	
5. Edison ID #	21349	
6. Contract Begin Date	July 1, 2010	
7. Current Contract End Date – with ALL options to extend exercised	March 31, 2015	
8. Proposed Contract End Date – with ALL options to extend exercised	July 31, 2015	
9. Current Maximum Contract Cost – with ALL options to extend exercised	\$3,417,852	
10. Proposed Maximum Contract Cost – with ALL options to extend exercised	\$3,417,852	
11. Office for Information Resources Pre-Approval Endorsement Request – information technology service (N/A to THDA)	<input type="checkbox"/> Not Applicable <input type="checkbox"/> Attached	
12. eHealth Pre-Approval Endorsement Request – health-related professional, pharmaceutical, laboratory, or imaging	<input type="checkbox"/> Not Applicable <input type="checkbox"/> Attached	
13. Human Resources Pre-Approval Endorsement Request – state employee training service	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached	
14. Explanation Need for the Proposed Amendment	The execution of this contract amendment will provide for uninterrupted provision of life saving drugs to eligible Tennesseans, through the HIV/AIDS Drug Assistance Program. This activity meets the core outcome measures of the National HIV/AIDS Strategy.	
15. Name & Address of the Contractor's Principal Owner(s)	Nashville Pharmacy Services, 719 Thompson Lane (Suite 57100), Nashville, Tennessee 37204 Phone: 615-371-1210 Fax:615-371-1270	

Request Tracking #	34349-71411
<p>16. Evidence Contractor's Experience & Length Of Experience Providing the Goods or Services</p> <p>Nashville Pharmacy Services, LLC has been, and is now, the current contractor for Pharmacy Services for the last five (5) years.</p>	
<p>17. Efforts to Identify Reasonable, Competitive, Procurement Alternatives</p> <p>We are now in the process of completing a RFP</p>	
<p>18. Justification</p> <p>Due to the current contractual responsibilities being performed under Mail-Order Pharmacy Services, it is reasonable to offer a four (4) months extension to this contract.</p>	
<p>Agency Head Signature and Date – <i>MUST be signed by the ACTUAL agency head as detailed on the current Signature Certification. Signature by an authorized signatory is acceptable only in documented circumstances</i></p> <div style="text-align: right;">  1-21-13 </div>	

PROPOSED AMENDMENT



CONTRACT AMENDMENT COVER SHEET

Agency Tracking # 34349-71411	Edison ID 21349	Contract # FA11321290	Amendment # 01		
Contractor Legal Entity Name Nashville Pharmacy Services, LLC			Edison Vendor ID 85184		
Amendment Purpose & Effect(s) To extend the Mail order Pharmacy services due to RFP process					
Amendment Changes Contract End Date: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO		End Date: July 31, 2015			
TOTAL Contract Amount INCREASE or DECREASE per this Amendment (zero if N/A):			\$ 0		
Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2011		\$668,033			\$668,033
2012		\$867,894			\$867,894
2013		\$456,769			\$456,769
2014		\$693,660			\$693,660
2015		\$731,496			\$731,496
TOTAL:		\$3,417,852			\$3,417,852
American Recovery and Reinvestment Act (ARRA) Funding: <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO					
Budget Officer Confirmation: There is a balance in the appropriation from which obligations hereunder are required to be paid that is not already encumbered to pay other obligations.			<i>CPO USE</i>		
Speed Chart (optional) HL00000739		Account Code (optional) 70804000			

PROPOSED AMENDMENT

**AMENDMENT 1
OF CONTRACT FA11321290**

This Amendment is made and entered by and between the State of Tennessee, Department of Health, hereinafter referred to as the "State" and Nashville Pharmacy Services, LLC, hereinafter referred to as the "Contractor." For good and valuable consideration, the sufficiency of which is hereby acknowledged, it is mutually understood and agreed by and between said, undersigned contracting parties that the subject contract is hereby amended as follows:

1. The following is added as Contract section B.2..

B.2. Term Extension. The State may extend the Term an additional period of time, not to exceed one hundred-eighty (180) days beyond the expiration date of this Contract, under the same terms and conditions, at the State's sole option. In no event, however, shall the maximum Term, including all renewals or extensions, exceed a total of sixty (60) months.

2. Contract sections B and C.3 are deleted in their entirety and replaced with the following:

B. TERM OF CONTRACT:

B.1. This Contract shall be effective on July 1, 2010 ("Effective Date") and extend for a period of sixty one (61) months after the Effective Date ("Term"). The State shall have no obligation for goods or services provided by the Contractor prior to the Effective Date.

C.3. Payment Methodology. The Contractor shall be compensated based on the payment rates herein for units of service authorized by the State in a total amount not to exceed the Contract Maximum Liability established in Section C.1.

a. The Contractor's compensation shall be contingent upon the satisfactory completion of units, milestones, or increments of service defined in Section A.

b. The Contractor shall be compensated for said units, milestones, or increments of service based upon the following payment rates:

Service Description	9/1/10-3/31/11	4/1/11-3/31/12	4/1/12-3/31/13	4/1/13-3/31/14	4/1/14-7/31/15
Pharmacy Services	\$12.75 per prescription	\$13.25 per prescription	\$13.50 per prescription	\$13.75per prescription	\$14.50 per prescription

c. The Contractor shall bear any and all transition costs incurred during the transitional period, June 1, 2010 thru August 31, 2010.

3. The following are added as Contract sections D.22. and E.22.

D.22 Tennessee Department of Revenue Registration. The Contractor shall comply with all applicable registration requirements contained in Tenn. Code Ann. §§ 67-6-601 – 608. Compliance with applicable registration requirements is a material requirement of this Contract.

E.22. Federal Funding Accountability and Transparency Act (FFATA). This Contract requires the Contractor to provide supplies or services that are funded in whole or in part by federal funds that are subject to FFATA. The Contractor is responsible for ensuring that all applicable requirements, including but not limited to those set forth herein, of FFATA are met and that the Contractor provides information to the State as required.

The Contractor shall comply with the following:

PROPOSED AMENDMENT

- a. Reporting of Total Compensation of the Contractor's Executives.
- (1) The Contractor shall report the names and total compensation of each of its five most highly compensated executives for the Contractor's preceding completed fiscal year, if in the Contractor's preceding fiscal year it received:
- i. 80 percent or more of the Contractor's annual gross revenues from federal procurement contracts and federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and
 - ii. \$25,000,000 or more in annual gross revenues from federal procurement contracts (and subcontracts), and federal financial assistance subject to the Transparency Act (and subawards); and
 - iii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/execomp.htm>).
- As defined in 2 C.F.R. § 170.315, "Executive" means officers, managing partners, or any other employees in management positions.
- (2) Total compensation means the cash and noncash dollar value earned by the executive during the Contractor's preceding fiscal year and includes the following (for more information see 17 C.F.R. § 229.402(c)(2)):
- i. Salary and bonus.
 - ii. Awards of stock, stock options, and stock appreciation rights. Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2004) (FAS 123R), Shared Based Payments.
 - iii. Earnings for services under non-equity incentive plans. This does not include group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of executives, and are available generally to all salaried employees.
 - iv. Change in pension value. This is the change in present value of defined benefit and actuarial pension plans.
 - v. Above-market earnings on deferred compensation which is not tax qualified.
 - vi. Other compensation, if the aggregate value of all such other compensation (e.g. severance, termination payments, value of life insurance paid on behalf of the employee, perquisites or property) for the executive exceeds \$10,000.
- b. The Contractor must report executive total compensation described above to the State by the end of the month during which this Contract is awarded.
- c. If this Contract is amended to extend the Term, the Contractor must submit an executive total compensation report to the State by the end of the month in which the term extension becomes effective.
- d. The Contractor will obtain a Data Universal Numbering System (DUNS) number and maintain its DUNS number for the term of this Contract. More information about obtaining a DUNS Number can be found at: <http://fedgov.dnb.com/webform/>

PROPOSED AMENDMENT

The Contractor's failure to comply with the above requirements is a material breach of this Contract for which the State may terminate this Contract for cause. The State will not be obligated to pay any outstanding invoice received from the Contractor unless and until the Contractor is in full compliance with the above requirements.

4. Grant Contract Attachment 3A attached hereto is added as a new attachment.

Required Approvals. The State is not bound by this Amendment until it is signed by the contract parties and approved by appropriate officials in accordance with applicable Tennessee laws and regulations (depending upon the specifics of this contract, said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).

Amendment Effective Date. The revisions set forth herein shall be effective April 1, 2015. All other terms and conditions of this Contract not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF,

NASHVILLE PHARMACY SERVICES, LLC:

SIGNATURE **DATE**

PRINTED NAME AND TITLE OF SIGNATORY (above)

DEPARTMENT OF HEALTH:

JOHN J. DREYZEHNER, MD, MPH, FACOEM, COMMISSIONER **DATE**

PERFORMANCE BOND

Bond No. 3340977

KNOW ALL BY THESE PRESENTS, That we Nashville Pharmacy Services, LLC, 225 State Street, Suite A, Nashville, TN 37203, as Principal, and SureTec Insurance Company, 952 Echo Lane, Houston TX 77024, authorized to do business in the State of Tennessee, as Surety, are held and firmly bound unto State of Tennessee, Department of Health, as Oblige, in the maximum penal sum of Three Million and 00/100 Dollars (\$3,000,000.00), lawful money of the United States of America, for which payment well and truly to be made we bind ourselves, our heirs, executors and assigns, jointly and severally, firmly by this Bond.

WHEREAS, the Principal has entered, or is about to enter, into a written agreement with the Oblige to perform in accordance with the terms and conditions of the Pharmacy Services Contract RFP# 34349-71411, (hereinafter referred to as the Contract) said Contract is hereby referred to and made a part hereof;

NOW, THEREFORE, the condition of this obligation is such that if the above mentioned Principal, its successors and assigns, shall well and truly perform its obligations as set forth in the above mentioned Contract, then this Bond shall be void; otherwise to remain in full force and effect pursuant to its terms.

Notwithstanding anything to the contrary in the Contract, the Bond is subject to the following express conditions:

1. Whereas, the Oblige has agreed to accept this Bond, this Bond shall be effective for the definite period of July 1, 2010 to December 31, 2010, at the sole option of the Surety, by continuation certificate for additional periods from the expiry date hereof. However, neither: (a) the Surety's decision not to issue a continuation certificate, nor (b) the failure or inability of the Principal to file a replacement bond or other security in the event the Surety exercises its right to not renew this Bond, shall itself constitute a loss to the Oblige recoverable under this Bond or any extension thereof.
2. The above referenced Contract has a term ending July 31, 2015. Regardless of the number of years this Bond is in force or the number of continuation certificates issued, this Bond shall not be extended beyond July 31, 2015, unless earlier nonrenewed pursuant to paragraph 1 above.
3. No claim, action, suit or proceeding, except as hereinafter set forth, shall be had or maintained against the Surety on this instrument unless such claim, action, suit or proceeding is brought or instituted upon the Surety within one (1) year from termination or expiration of the bond term.
4. Regardless of the number of years this Bond is in force or the number of continuation certificates issued, the liability of the Surety shall not be cumulative in the amounts from period to period and shall in no event exceed the amount set forth above, or as amended by rider.
5. Any notice, demand, certification or request for payment, made under this Bond shall be made in writing to the Surety at the address specified below. Any demand or request for payment must be made prior to the expiry date of this Bond.
SureTec Insurance Company
952 Echo Lane
Houston, TX 77024
6. If any conflict or inconsistency exists between the Surety's obligations or undertakings as described in this Bond and as described in the underlying Contract, then the terms of this Bond shall prevail.
7. The Surety's liability to this Bond shall be limited to the afore said time period and shall not relate to events prior to the effective period of this Bond.

SIGNED, SEALED, AND DATED this _____ day of _____, 20 1
Nashville Pharmacy Services, LLC

By: Kevin Hartman
Kevin Hartman, Member, Principal

By: Gregory E. Nash
Gregory E. Nash, Attorney-in-Fact

ACKNOWLEDGEMENT BY OBLIGEE

By: _____
, Obligee

(1)

FUNDING REVISION

 CONTRACT (fee-for-service contract with an individual, business, non-profit, or governmental entity of another state)					
Begin Date	End Date	Agency Tracking #	Edison Record ID		
July 1, 2010	March 31, 2015	34349-71411	21349		
Contractor Legal Entity Name			Edison Vendor ID		
Nashville Pharmacy Services			85184		
Service Caption (one line only)					
Mail-Order Pharmacy Services					
Subrecipient or Vendor		CFDA #			
<input type="checkbox"/> Subrecipient <input checked="" type="checkbox"/> Vendor		93.917			
Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2011		\$668,033			\$668,033
2012		\$643,615			\$643,615
2013		\$681,048			\$681,048
2014		\$693,660			\$693,660
2015		\$731,496			\$731,496
TOTAL:		\$3,417,852			\$3,417,852
American Recovery and Reinvestment Act (ARRA) Funding: <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO					
Ownership/Control					
<input type="checkbox"/> African American <input type="checkbox"/> Asian <input type="checkbox"/> Hispanic <input type="checkbox"/> Native American <input type="checkbox"/> Female <input type="checkbox"/> Person w/Disability <input checked="" type="checkbox"/> Small Business <input type="checkbox"/> Government <input type="checkbox"/> NOT Minority/Disadvantaged <input type="checkbox"/> Other:					
Selection Method & Process Summary (mark the correct response to confirm the associated summary)					
<input checked="" type="checkbox"/> RFP		The procurement process was completed in accordance with the approved RFP document and associated regulations.			
<input type="checkbox"/> Competitive Negotiation		The predefined, competitive, impartial, negotiation process was completed in accordance with the associated, approved procedures and evaluation criteria.			
<input type="checkbox"/> Alternative Competitive Method		The predefined, competitive, impartial, procurement process was completed in accordance with the associated, approved procedures and evaluation criteria.			
<input type="checkbox"/> Non-Competitive Negotiation		The non-competitive contractor selection was completed as approved, and the procurement process included a negotiation of best possible terms & price.			
<input type="checkbox"/> Other		The contractor selection was directed by law, court order, settlement agreement, or resulted from the state making the same agreement with <u>all</u> interested parties or <u>all</u> parties in a predetermined "class."			
Budget Officer Confirmation: There is a balance in the appropriation from which obligations hereunder are required to be paid that is not already encumbered to pay other obligations.			OCR USE - FA		
Speed Chart (optional)	Account Code (optional)	Contract #			
HL00000739	708040000	FA1132129			

FUNDING REVISION #2

7-1-11 FA



CONTRACT

(fee-for-service contract with an individual, business, non-profit, or governmental entity of another state)

Begin Date July 1, 2010	End Date March 31, 2015	Agency Tracking # 34349-71411	Edison Record ID 21349
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Contractor Legal Entity Name Nashville Pharmacy Services	Edison Vendor ID 0000085184
-------------------------------------------------------------	--------------------------------

Service Caption (one line only)
Mail Order Pharmacy Services

Subrecipient or Vendor <input type="checkbox"/> Subrecipient <input checked="" type="checkbox"/> Vendor	CFDA # 93.917
------------------------------------------------------------------------------------------------------------	------------------

Funding FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2011		\$668,033			\$668,033
2012		\$867,894			\$867,894
2013		\$456,769			\$456,769
2014		\$693,660			\$693,660
2015		\$731,496			\$731,496
TOTAL:		\$3,417,852			\$3,417,852

American Recovery and Reinvestment Act (ARRA) Funding: YES NO

Ownership/Control

African American
 Asian
 Hispanic
 Native American
 Female
 Person w/Disability
 Small Business
 Government
 NOT Minority/Disadvantaged
 Other:

Selection Method & Process Summary (mark the correct response to confirm the associated summary)

RFP The procurement process was completed in accordance with the approved RFP document and associated regulations.
 Competitive Negotiation The predefined, competitive, impartial, negotiation process was completed in accordance with the associated, approved procedures and evaluation criteria.
 Alternative Competitive Method The predefined, competitive, impartial, procurement process was completed in accordance with the associated, approved procedures and evaluation criteria.
 Non-Competitive Negotiation The non-competitive contractor selection was completed as approved, and the procurement process included a negotiation of best possible terms & price.
 Other The contractor selection was directed by law, court order, settlement agreement, or resulted from the state making the same agreement with all interested parties or all parties in a predetermined "class."

<p>Budget Officer Confirmation: There is a balance in the appropriation from which obligations hereunder are required to be paid that is not already encumbered to pay other obligations.</p>	<p>OCR USE - FA</p>
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Speed Chart (optional) HL00000739	Account Code (optional) 708040000	Contract # FA1132129
--------------------------------------	--------------------------------------	-----------------------------



CONTRACT

(FA-type fee-for-service contract with an individual, business, non-profit, or governmental entity of another state)

Agency Tracking #

34349-71411

Edison ID

21349

Contractor

Nashville Pharmacy Services, LLC

Contractor Federal Employer Identification or Social Security #

C- or V- 62-1824832

Service

Mail-order Pharmacy services

Contract Begin Date

July 1, 2010

Contract End Date

March 31, 2015

Subrecipient or Vendor

Subrecipient Vendor

CFDA #(s)

93.917

FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2011		\$643,212			\$643,212
2012		\$668,436			\$668,436
2013		\$681,048			\$681,048
2014		\$693,660			\$693,660
2015		\$731,496			\$731,496
TOTAL:		\$3,417,852			\$3,417,852

American Recovery and Reinvestment Act (ARRA) Funding - YES NO

OCR USE
FA

Agency Contact & Telephone #

Crystal Allen (615) 741-9419

Agency Budget Officer Approval (there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred)

Crystal Allen

F&A Secured Document

FA1132129

Speed Code

HL00000739

Account Code

708040000

Contractor Ownership/Control

African American Person w/ Disability Hispanic Small Business Government
 Asian Female Native American NOT Minority/Disadvantaged Other

Contractor Selection Method

RFP Competitive Negotiation * Alternative Competitive Method *
 Non-Competitive Negotiation * Other *

*Procurement Process Summary

RFP process



CONTRACT

(FA-type fee-for-service contract with an individual, business, non-profit, or governmental entity of another state)

Agency Tracking # 34349-71411	Edison ID 21349
-----------------------------------------	---------------------------

Contractor Nashville Pharmacy Services, LLC	Contractor Federal Employer Identification or Social Security # <input type="checkbox"/> C- or <input checked="" type="checkbox"/> V- 62-1824832
------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------

Service
Mail-order Pharmacy services

Contract Begin Date July 1, 2010	Contract End Date March 31, 2015	Subrecipient or Vendor <input type="checkbox"/> Subrecipient <input checked="" type="checkbox"/> Vendor	CFDA #(s) 93.917
-------------------------------------	-------------------------------------	------------------------------------------------------------------------------------------------------------	---------------------

FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2011		\$643,212			\$643,212
2012		\$668,436			\$668,436
2013		\$681,048			\$681,048
2014		\$693,660			\$693,660
2015		\$731,496			\$731,496
TOTAL:		\$3,417,852			\$3,417,852

American Recovery and Reinvestment Act (ARRA) Funding – YES NO

OCR USE FA	Agency Contact & Telephone # Crystal Allen (615) 741-9419
	Agency Budget Officer Approval (there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred) <i>Crystal Allen</i>
	Speed Code HL00000739

Contractor Ownership/Control

African American
 Person w/ Disability
 Hispanic
 Small Business
 Government
 Asian
 Female
 Native American
 NOT Minority/Disadvantaged
 Other

Contractor Selection Method

RFP
 Competitive Negotiation *
 Alternative Competitive Method *
 Non-Competitive Negotiation *
 Other *

*Procurement Process Summary
RFP process

**CONTRACT
BETWEEN THE STATE OF TENNESSEE,
DEPARTMENT OF HEALTH
AND
NASHVILLE PHARMACY SERVICES, LLC**

This Contract, by and between the State of Tennessee, Department of Health, hereinafter referred to as the "State" and Nashville Pharmacy Services, LLC, hereinafter referred to as the "Contractor," is for the provision of Mail-order Pharmacy Services, as further defined in the "SCOPE OF SERVICES."

The Contractor is a limited liability corporation.

Contractor Federal Employer Identification or Social Security Number: 62-1824832

Contractor Place of Incorporation or Organization: Tennessee

A. SCOPE OF SERVICES:

A.1. The Contractor shall provide all service and deliverables as required, described, and detailed by this Scope of Services and shall meet all service and delivery timelines specified in the Scope of Services section or elsewhere in this Contract.

A.2. Definitions

Clean Prescriptions – Those prescriptions which require no additional information from the provider and the demographic information matches data on the HIV Drug Assistance Program (HDAP) eligibility file provided by the State.

Transition cost – Any costs incurred by the Contractor prior to September 1, 2010.

A.3. This contract shall be implemented in three (3) phases; a transitional phase, an operational phase, and a turnover phase.

Transitional phase

- (1) On July 1, 2010, prior to accepting on-going operations of pharmacy services on September 1, 2010, the Contractor shall provide the State a physical address, a fax number where providers may fax HDAP prescriptions and a minimum of two (2) telephone numbers where physicians or other providers may speak to a pharmacist, and HDAP clients may call to place orders for prescription refills.
- (2) The Contractor shall build a two month stock of HDAP Formulary medications, per beginning par levels provided by the State.
- (3) By July 14, 2010, the Contractor shall accept an initial electronic Microsoft Access data file from the State via the State File Transfer Protocol (FTP) site containing the statewide population of approximately two thousand one hundred (2,100) Ryan White Part B HDAP clients, demographic information, medications, dispensing record, etc. Thereafter, the file will be transmitted by the State to the Contractor each business day throughout the contract period.
- (4) The Contractor shall accept all remaining HDAP medications from the current vendor for dispensing to the State's Ryan White HDAP clients.

Operational phase

- A.4. Effective September 1, 2010, the Contractor shall begin filling prescriptions for approximately two thousand one hundred (2,100) Ryan White HDAP clients. The Contractor shall be responsible for ordering, receiving, storing, and dispensing pharmaceuticals listed on the HDAP formulary (Attachment 1) and any formulary additions within this contract period, for State approved HDAP clients.
- A.5. The Contractor shall assume liability for the medications upon delivery from the State's authorized wholesale vendor, until the medications are either shipped or delivered to the client.
- A.6. The Contractor shall order medications through the State's HDAP Coordinator at least weekly. The Contractor shall receive bulk shipments of medications from the State's contract wholesale vendor. The Contractor shall immediately, upon receipt, verify the contents of each shipment for indicated shipping temperature, quantity, and type of medication shipped. Within three (3) business days following receipt of the medication order, the Contractor shall also provide the State copies of manufacturer packing slips, including the lot number, expiration date, quantity, and condition of each medication in the medication order, as well as the date and time the Contractor received the medication order. The Contractor shall notify the State within one (1) business day of receipt of the shipment if any discrepancies or deficiencies with the shipment exist.
- A.7. The Contractor shall store and manage the medications for this program according to "best practice" pharmacy conditions. Each of the Contractor's cold medication storage units (e.g., refrigerators) shall be secure, and have a temperature monitor for both high and low temperatures, and a twenty four (24) hour alarm device to notify the Contractor if the temperature in the unit varies from the temperature range appropriate for the medications stored within it. Safety, security and replacement of damaged or lost medications, while being stored at the Contractor's facility, shall be the responsibility of the Contractor.
- A.8. The Contractor shall have sufficient refrigerator capacity to receive and store the refrigerated medications (for example: 2,000 bottles of Ritonavir) for a two (2) month period. In addition, the Contractor shall contact HDAP clients prior to a refrigerated medication being dispensed. Additionally, the Contractor must have sufficient freezer capacity to refrigerate a sufficient number of cold packs for shipping refrigerated medications.
- A.9. The Contractor shall track client demographic and utilization information. An electronic dispensing record shall be submitted via e-mail, in a format compatible with the HDAP database, which shall consist of a list of processed orders, containing at a minimum, client names and state issued HDAP numbers, the dates that orders were shipped, and the type and amount of medication dispensed to each client. An electronic dispensing record report shall be submitted to the HDAP Coordinator by the fifth (5th) day of the month listing the previous month's activities and reflecting changes in inventory levels.
- A.10. The Contractor shall arrange for the return of outdated or unusable HDAP medications to the appropriate authorized wholesale vendor. An account number with each authorized wholesale vendor shall be provided by the State to the Contractor for the purpose of obtaining a returned medication credit. The Contractor shall provide the State with a notice of receipt from the wholesale vendor of returned HDAP medications. The HDAP coordinator shall be notified in writing of the return of HDAP medication within three (3) business days.
- A.11. The Contractor shall notify the State via either U.S. mail or electronic mail whenever the Contractor has less than a two (2) month supply of any type of medication.
- A.12. The Contractor shall provide to the State HDAP Coordinator the names of at least two (2) staff contact persons to coordinate the addition of new HDAP clients or for removal of ineligible clients from the HDAP roster. The HDAP coordinator shall provide client data and an HDAP number

electronically, for each client. The HDAP coordinator shall also provide numbers that have been revoked. The Contractor shall be responsible for ensuring that all revoked clients, those clients whose HDAP number has been revoked, are immediately noted as being ineligible for HDAP services. All prescriptions from providers shall be faxed to the Contractor and must include the client's HDAP number to be valid.

A.13. The Contractor shall abide by the following requirements:

- a. Mail, or deliver, if the Contractor prefers, medications directly to the HDAP client's designated address, or allow client pickup at the Contractor's retail pharmacy, if the client requests that arrangement. All clean prescriptions must be dispensed with a maximum turnaround time of forty eight (48) hours, including weekends. A central fill model is acceptable provided that the facilities are licensed by the State of Tennessee.
- b. Have a system for clients to request prescription refills and to provide change of address information, if applicable. In addition, the system should be used by the Contractor to verify client eligibility.
- c. Package medications in a bubble wrap protective mailer, unless manufacturer's instructions require special handling, such as medications requiring refrigeration. Medications requiring refrigeration shall be packed in insulated containers with the appropriate coolant when dispensed and shall be clearly labeled on each container as appropriate with a bright sticker indicating need for refrigeration. **CONTENTS OF PACKAGE SHALL NOT APPEAR ON THE OUTSIDE OF THE PACKAGE.** The packing materials used by the Contractor shall conform to manufacturers' and Federal Drug Administration (FDA) requirements and be approved by the State.
- d. Have a tracking system (as described above in A.9., A.12. and A.13.a & b) to assure that delivery deadlines are met and ensure that corrective action is taken if a deadline is not met.
- e. Report any discrepancy between the amount of medication ordered and amount dispensed to the client. Notification shall be made to the State within one (1) business day of discovery, by facsimile transmission, to the address stated in E.2 of this contract and by telephone to the HDAP coordinator or designee.
- f. Report failure to deliver properly filled orders of medications in usable condition to an HDAP client. The Contractor shall cover all related damages for failure to deliver; including, but not limited to, the total cost of doses of each medication that is delivered in an unusable condition and the cost of reshipping properly filled orders of usable medication to the HDAP client.
- g. Notify the HDAP coordinator immediately by phone of any incorrect client delivery address or changes in the clients' HDAP eligibility status.
- h. Provide documentation of courier delivery by providing a report containing the date of each shipment, the patient identification number, the carrier tracking number, and the date of delivery by the carrier. In the event of a questioned delivery, the Contractor must provide a copy of the carrier delivery notice.
- i. If shipments to HDAP clients have met all criteria (as specified above) and loss occurs due to the actions of a common carrier after medications are mailed or delivered to the clients, the State shall assume responsibility for the value of any unusable medications that are not covered under the insurance plan of the common carrier.

A.14. The Contractor shall maintain a computerized medication inventory of all medications (Attachment 1). The Contractor shall provide the State a printout of its monthly medication inventory reconciliation by the fifth (5th) business day of the following month.

- A.15. The Contractor shall comply with the requirements of Tennessee Code Annotated 68-10-113 regarding confidentiality and disclosure of HIV client record information. The Contractor shall return unduplicated client records to the State upon removal of clients from the State's Mail Order Pharmacy component of the HDAP. The Contractor shall **NOT** contact former HDAP clients, nor share contact information with any other company.
- A.16. The Contractor shall not insert any flyers, advertisements, or products into medication packages dispensed to HDAP clients without prior State approval.
- A.17. The Contractor shall provide Patient Education/Medication Adherence Case Manager(s) for enrolled HDAP clients. Patient Education/Medication Adherence Case Managers serve as the liaison between the Contractor and the State Medical Care Managers. Patient Education/Medication Adherence Case Managers shall contact the client's assigned State Medical Care Manager, within five (5) business days, about client medication adherence including failure of clients to refill medications or pick-up medications, if the client cannot be located to inquire about failure to request re-fill medications, etc. The State shall provide the Contractor with contact information for each HDAP client's assigned Medical Care Manager.
- A.18. The Contractor shall maintain a minimum of one (1) in-State dispensing pharmacy.
- A.19. The Contractor's activities and records maintained pursuant to this Contract shall be subject to monitoring and evaluation by the State to assess the quality and quantity of the services as stipulated in the scopes of services. This monitoring and evaluation process includes, but is not limited to: site visits, regular reviews and assessments of the Contractors' management of the HDAP medication according to all applicable Federal and State laws, rules, and regulations. The Contractor must provide Data as requested by the State and in a format acceptable to the State.
- A.20. The Contractor shall provide a client Mail Order Pharmacy orientation for all current and future HDAP clients, which shall include patient's rights and responsibilities including updating address and contact information as needed, procedures for notifying Contractor of a lost or stolen shipment, and emergency procedures for obtaining medications.
- A.21. The Contractor shall provide the State with the name of the pharmacy manager who shall be the contact person for client/State problems and complaints.
- A.22. The Contractor must be a licensed pharmacy, in good standing with the Tennessee Board of Pharmacy. The Contractor must have a Pharmacist-in-Charge holding a current Tennessee Pharmacist license in good standing with the Tennessee Board of Pharmacy and sufficient staff to meet the demand for services.

Turnover Phase

- A.23. The incumbent contractor shall coordinate with the State and the succeeding contractor to facilitate a seamless transition of services by:
 - a. Transferring all remaining Tennessee HDAP Formulary drug inventory to the succeeding Contractor within ten (10) business days following the last day of this Contract, according to all applicable Federal and State laws, rules, and regulations;
 - b. Providing an Inventory Report of all remaining drugs that are being transferred to the succeeding Contractor;
 - c. Transferring all active prescriptions to succeeding contractor within ten (10) business days following the request of the State;
 - d. Providing a list of all current clients, all active prescriptions, the number of remaining refills on all active prescriptions, and the expiration dates of the active prescriptions.
 - e. Transferring all remaining Tennessee HDAP Formulary drug inventory to the succeeding Contractor within ten (10) business days following the last day of this Contract.

B. CONTRACT TERM:

B.1. Contract Term. This Contract shall be effective for the period commencing July 1, 2010 , and ending on March 31, 2015. The State shall have no obligation for services rendered by the Contractor which are not performed within the specified period.

C. PAYMENT TERMS AND CONDITIONS:

C.1. Maximum Liability. In no event shall the maximum liability of the State under this contract exceed Three Million Four Hundred Seventeen Thousand Eight Hundred Fifty Two Dollars (\$3,417,852). The payment rates in Section C.3 shall constitute the entire compensation due the Contractor for the Service and all of the Contractor's obligations hereunder regardless of the difficulty, materials or equipment required. The payment rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the State. The maximum liability represents available funds for payment to the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with the payment rates detailed in Section C.3. The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract.

C.2. Compensation Firm. The payment rates and the maximum liability of the State under this Contract are firm for the duration of the Contract and are not subject to escalation for any reason unless amended.

C.3. Payment Methodology. The Contractor shall be compensated based on the payment rates herein for units of service authorized by the State in a total amount not to exceed the Contract Maximum Liability established in Section C.1.

- a. The Contractor's compensation shall be contingent upon the satisfactory completion of units, milestones, or increments of service defined in Section A.
- b. The Contractor shall be compensated for said units, milestones, or increments of service based upon the following payment rates:

Service Description	9/1/10-3/31/11	4/1/11-3/31/12	4/1/12-3/31/13	4/1/13-3/31/14	4/1/14-3/31/15
Pharmacy Services	\$12.75 per prescription	\$13.25 per prescription	\$13.50 per prescription	\$13.75 per prescription	\$14.50 per prescription

- c. The Contractor shall bear any and all transition costs incurred during the transitional period, July 1, 2010 thru August 31, 2010.

C.4. Travel Compensation. The Contractor shall not be compensated or reimbursed for travel, meals, or lodging.

C.5. Invoice Requirements. The Contractor shall invoice the State only for completed increments of service and for the amount stipulated in Section C.3, above, and as required below prior to any payment.

- a. The Contractor shall submit invoices no more often than monthly, with all necessary supporting documentation, to:

Ryan White Services
Cordell Hull Building, 4th Floor
425 5th Avenue North
Nashville, TN 37243

- b. The Contractor agrees that each invoice submitted shall clearly and accurately (all calculations must be extended and totaled correctly) detail the following required information.

- (1) Invoice/Reference Number (assigned by the Contractor);
- (2) Invoice Date;
- (3) Invoice Period (period to which all invoiced charges are applicable);
- (4) Contract Number (assigned by the State to this Contract);
- (5) Account Name: Tennessee Department of Health, Ryan White Services Program;
- (6) Account/Customer Number (uniquely assigned by the Contractor to the above-referenced Account Name);
- (7) Contractor Name;
- (8) Contractor Federal Employer Identification Number or Social Security Number (as referenced in this Contract);
- (9) Contractor Contact (name, phone, and/or fax for the individual to contact with billing questions);
- (10) Contractor Remittance Address;
- (11) Complete Itemization of Charges, which shall detail the following:
 - i. Service or Milestone Description (including name /title as applicable) of each service invoiced;
 - ii. Number of Completed Units, Increments, Hours, or Days as applicable, of each service invoiced;
 - iii. Applicable Payment Rate (as stipulated in Section C.3.) of each service invoiced;
 - iv. Amount Due by Service; and
 - v. Total Amount Due for the invoice period.

- c. The Contractor understands and agrees that an invoice to the State under this Contract shall:

- (1) include only charges for service described in Contract Section A and in accordance with payment terms and conditions set forth in Contract Section C;
- (2) not include any future work but will only be submitted for completed service; and
- (3) not include sales tax or shipping charges.

- d. The Contractor agrees that timeframe for payment (and any discounts) begins when the State is in receipt of each invoice meeting the minimum requirements above.

- e. The Contractor shall complete and sign a "Substitute W-9 Form" provided to the Contractor by the State. The taxpayer identification number contained in the Substitute W-9 submitted to the State shall agree to the Federal Employer Identification Number or Social Security Number referenced in this Contract for the Contractor. The Contractor shall not invoice the State for services until the State has received this completed form.

C.6. Payment of Invoice. The payment of the invoice by the State shall not prejudice the State's right to object to or question any invoice or matter in relation thereto. Such payment by the State shall

neither be construed as acceptance of any part of the work or service provided nor as an approval of any of the amounts invoiced therein.

- C.7. Invoice Reductions. The Contractor's invoice shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by the State, on the basis of audits conducted in accordance with the terms of this Contract, not to constitute proper remuneration for compensable services.
- C.8. Deductions. The State reserves the right to deduct from amounts which are or shall become due and payable to the Contractor under this or any Contract between the Contractor and the State of Tennessee any amounts which are or shall become due and payable to the State of Tennessee by the Contractor.
- C.9. Automatic Deposits. The Contractor shall complete and sign an "Authorization Agreement for Automatic Deposit (ACH Credits) Form." This form shall be provided to the Contractor by the State. Once this form has been completed and submitted to the State by the Contractor all payments to the Contractor, under this or any other Contract the Contractor has with the State of Tennessee shall be made by Automated Clearing House (ACH). The Contractor shall not invoice the State for services until the Contractor has completed this form and submitted it to the State.
- D. STANDARD TERMS AND CONDITIONS:**
- D.1. Required Approvals. The State is not bound by this Contract until it is approved by the appropriate State officials in accordance with applicable Tennessee State laws and regulations.
- D.2. Modification and Amendment. This Contract may be modified only by a written amendment executed by all parties hereto and approved by the appropriate Tennessee State officials in accordance with applicable Tennessee State laws and regulations.
- D.3. Termination for Convenience. The State may terminate this Contract without cause for any reason. Said termination shall not be deemed a Breach of Contract by the State. The State shall give the Contractor at least thirty (30) days written notice before the effective termination date. The Contractor shall be entitled to receive compensation for satisfactory, authorized service completed as of the termination date, but in no event shall the State be liable to the Contractor for compensation for any service which has not been rendered. Upon such termination, the Contractor shall have no right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- D.4. Termination for Cause. If the Contractor fails to properly perform its obligations under this Contract in a timely or proper manner, or if the Contractor violates any terms of this Contract, the State shall have the right to immediately terminate the Contract and withhold payments in excess of fair compensation for completed services. Notwithstanding the above, the Contractor shall not be relieved of liability to the State for damages sustained by virtue of any breach of this Contract by the Contractor.
- D.5. Subcontracting. The Contractor shall not assign this Contract or enter into a subcontract for any of the services performed under this Contract without obtaining the prior written approval of the State. If such subcontracts are approved by the State, they shall contain, at a minimum, sections of this Contract below pertaining to "Conflicts of Interest," "Nondiscrimination," and "Records" (as identified by the section headings). Notwithstanding any use of approved subcontractors, the Contractor shall be the prime contractor and shall be responsible for all work performed.
- D.6. Conflicts of Interest. The Contractor warrants that no part of the total Contract Amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Contractor in connection with any work contemplated or performed relative to this Contract.

- D.7. Nondiscrimination. The Contractor hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the Contractor on the grounds of disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law. The Contractor shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.
- D.8. Prohibition of Illegal Immigrants. The requirements of Public Acts of 2006, Chapter Number 878, of the state of Tennessee, addressing the use of illegal immigrants in the performance of any Contract to supply goods or services to the state of Tennessee, shall be a material provision of this Contract, a breach of which shall be grounds for monetary and other penalties, up to and including termination of this Contract.
- a. The Contractor hereby attests, certifies, warrants, and assures that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract. The Contractor shall reaffirm this attestation, in writing, by submitting to the State a completed and signed copy of the document at Attachment 2, hereto, semi-annually during the period of this Contract. Such attestations shall be maintained by the Contractor and made available to state officials upon request.
 - b. Prior to the use of any subcontractor in the performance of this Contract, and semi-annually thereafter, during the period of this Contract, the Contractor shall obtain and retain a current, written attestation that the subcontractor shall not knowingly utilize the services of an illegal immigrant to perform work relative to this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant to perform work relative to this Contract. Attestations obtained from such subcontractors shall be maintained by the Contractor and made available to state officials upon request.
 - c. The Contractor shall maintain records for all personnel used in the performance of this Contract. Said records shall be subject to review and random inspection at any reasonable time upon reasonable notice by the State.
 - d. The Contractor understands and agrees that failure to comply with this section will be subject to the sanctions of Public Chapter 878 of 2006 for acts or omissions occurring after its effective date. This law requires the Commissioner of Finance and Administration to prohibit a contractor from contracting with, or submitting an offer, proposal, or bid to contract with the State of Tennessee to supply goods or services for a period of one year after a contractor is discovered to have knowingly used the services of illegal immigrants during the performance of this Contract.
 - e. For purposes of this Contract, "illegal immigrant" shall be defined as any person who is not either a United States citizen, a Lawful Permanent Resident, or a person whose physical presence in the United States is authorized or allowed by the federal Department of Homeland Security and who, under federal immigration laws and/or regulations, is authorized to be employed in the U.S. or is otherwise authorized to provide services under the Contract.
- D.9. Records. The Contractor shall maintain documentation for all charges under this Contract. The books, records, and documents of the Contractor, insofar as they relate to work performed or money received under this Contract, shall be maintained for a period of three (3) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the State, the Comptroller of the Treasury, or their duly appointed

representatives. The financial statements shall be prepared in accordance with generally accepted accounting principles.

- D.10. Prevailing Wage Rates. All contracts for construction, erection, or demolition or to install goods or materials that involve the expenditure of any funds derived from the State require compliance with the prevailing wage laws as provided in *Tennessee Code Annotated*, Section 12-4-401 *et seq.*
- D.11. Monitoring. The Contractor's activities conducted and records maintained pursuant to this Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives.
- D.12. Progress Reports. The Contractor shall submit brief, periodic, progress reports to the State as requested.
- D.13. Strict Performance. Failure by any party to this Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this Contract shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the parties hereto.
- D.14. Independent Contractor. The parties hereto, in the performance of this Contract, shall not act as employees, partners, joint ventures, or associates of one another. It is expressly acknowledged by the parties hereto that such parties are independent contracting entities and that nothing in this Contract shall be construed to create an employer/employee relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.
- The Contractor, being an independent contractor and not an employee of the State, agrees to carry adequate public liability and other appropriate forms of insurance, including adequate public liability and other appropriate forms of insurance on the Contractor's employees, and to pay all applicable taxes incident to this Contract.
- D.15. State Liability. The State shall have no liability except as specifically provided in this Contract.
- D.16. Force Majeure. The obligations of the parties to this Contract are subject to prevention by causes beyond the parties' control that could not be avoided by the exercise of due care including, but not limited to, natural disasters, riots, wars, epidemics, or any other similar cause.
- D.17. State and Federal Compliance. The Contractor shall comply with all applicable State and Federal laws and regulations in the performance of this Contract.
- D.18. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Contractor agrees that it will be subject to the exclusive jurisdiction of the courts of the State of Tennessee in actions that may arise under this Contract. The Contractor acknowledges and agrees that any rights or claims against the State of Tennessee or its employees hereunder, and any remedies arising therefrom, shall be subject to and limited to those rights and remedies, if any, available under *Tennessee Code Annotated*, Sections 9-8-101 through 9-8-407.
- D.19. Completeness. This Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.

D.20. Severability. If any terms and conditions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Contract are declared severable.

D.21. Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.

E. SPECIAL TERMS AND CONDITIONS:

E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Contract, these special terms and conditions shall control.

E.2. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by EMAIL or facsimile transmission with recipient confirmation. Any such communications, regardless of method of transmission, shall be addressed to the respective party at the appropriate mailing address, facsimile number, or EMAIL address as set forth below or to that of such other party or address, as may be hereafter specified by written notice.

The State:

Dan McEachern
Ryan White Services
Tennessee Department of Health
4th Floor, Cordell Hull Building
425 5th Avenue, North
Nashville, TN 37243
Email Address: Daniel.McEachern@tn.gov
Telephone # (615) 532-2392
FAX # (615) 253-1686

The Contractor:

Kevin R. Hartman, PharmD.
222 State Street, Suite A
Nashville, TN 37203
Email Address: Kevin@rxfd.com
Telephone # (615) 371-1210
FAX # (615) 371-1270

All instructions, notices, consents, demands, or other communications shall be considered effectively given upon receipt or recipient confirmation as may be required.

E.3. Subject to Funds Availability. The Contract is subject to the appropriation and availability of State and/or Federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate the Contract upon written notice to the Contractor. Said termination shall not be deemed a breach of Contract by the State. Upon receipt of the written notice, the Contractor shall cease all work associated with the Contract. Should such an event occur, the Contractor shall be entitled to compensation for all satisfactory and authorized services completed as of the termination date. Upon such termination, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

- E.4. Tennessee Consolidated Retirement System. The Contractor acknowledges and understands that, subject to statutory exceptions contained in *Tennessee Code Annotated*, Section 8-36-801, *et. seq.*, the law governing the Tennessee Consolidated Retirement System (TCRS), provides that if a retired member of TCRS, or of any superseded system administered by TCRS, or of any local retirement fund established pursuant to *Tennessee Code Annotated*, Title 8, Chapter 35, Part 3 accepts state employment, the member's retirement allowance is suspended during the period of the employment. Accordingly and notwithstanding any provision of this Contract to the contrary, the Contractor agrees that if it is later determined that the true nature of the working relationship between the Contractor and the State under this Contract is that of "employee/employer" and not that of an independent contractor, the Contractor may be required to repay to TCRS the amount of retirement benefits the Contractor received from TCRS during the period of this Contract.
- E.5. Voluntary Buyout Program. The Contractor acknowledges and understands that, for a period of two years beginning August 16, 2008, restrictions are imposed on former state employees who received a State of Tennessee Voluntary Buyout Program (VBP) severance payment with regard to contracts with state agencies that participated in the VBP.
- a. The State will not contract with either a former state employee who received a VBP severance payment or an entity in which a former state employee who received a VBP severance payment or the spouse of such an individual holds a controlling financial interest.
 - b. The State may contract with an entity with which a former state employee who received a VBP severance payment is an employee or an independent contractor. Notwithstanding the foregoing, the Contractor understands and agrees that there may be unique business circumstances under which a return to work by a former state employee who received a VBP severance payment as an employee or an independent contractor of a State contractor would not be appropriate, and in such cases the State may refuse Contractor personnel. Inasmuch, it shall be the responsibility of the State to review Contractor personnel to identify any such issues.
 - c. With reference to either subsection a. or b. above, a contractor may submit a written request for a waiver of the VBP restrictions regarding a former state employee and a contract with a state agency that participated in the VBP. Any such request must be submitted to the State in the form of the *VBP Contracting Restriction Waiver Request* format available from the State and the Internet at: www.state.tn.us/finance/rds/ocr/waiver.html. The determination on such a request shall be at the sole discretion of the head of the state agency that is a Party to this Contract, the Commissioner of Finance and Administration, and the Commissioner of Human Resources.
- E.6. Insurance. The Contractor shall carry adequate liability and other appropriate forms of insurance.
- a. The Contractor shall maintain, at minimum, the following insurance coverage:
 - (1) Workers' Compensation/ Employers' Liability (including all states coverage) with a limit not less than the relevant statutory amount or One Million Dollars (\$ 1,000,000) per occurrence for employers' liability;
 - (2) Comprehensive Commercial General Liability (including personal injury & property damage, premises/operations, independent contractor, contractual liability and completed operations/products) with a bodily injury/property damage combined single limit not less than One Million Dollars (\$ 1,000,000) per occurrence and Two Million Dollars (\$ 2,000,000) aggregate;

- (3) Automobile Coverage (including owned, leased, hired, and non-owned vehicles) with a bodily injury/property damage combined single limit not less than One Million Dollars (\$1,000,000) per occurrence; and
 - (4) Professional Malpractice Liability with a limit of not less than one million dollars (\$1,000,000) per claim.
- b. At any time State may require the Contractor to provide a valid Certificate of Insurance detailing Coverage Description; Insurance Company & Policy Number; Exceptions and Exclusions; Policy Effective Date; Policy Expiration Date; Limit(s) of Liability; and Name and Address of Insured. Failure to provide required evidence of insurance coverage shall be a material breach of this Contract.

E.7. Confidentiality of Records. Strict standards of confidentiality of records and information shall be maintained in accordance with applicable state and federal law. All material and information, regardless of form, medium or method of communication, provided to the Contractor by the State or acquired by the Contractor on behalf of the State shall be regarded as confidential information in accordance with the provisions of applicable state and federal law, state and federal rules and regulations, departmental policy, and ethical standards. Such confidential information shall not be disclosed, and all necessary steps shall be taken by the Contractor to safeguard the confidentiality of such material or information in conformance with applicable state and federal law, state and federal rules and regulations, departmental policy, and ethical standards.

The Contractor's obligations under this section do not apply to information in the public domain; entering the public domain but not from a breach by the Contractor of this Contract; previously possessed by the Contractor without written obligations to the State to protect it; acquired by the Contractor without written restrictions against disclosure from a third party which, to the Contractor's knowledge, is free to disclose the information; independently developed by the Contractor without the use of the State's information; or, disclosed by the State to others without restrictions against disclosure. Nothing in this paragraph shall permit Contractor to disclose any information that is confidential under federal or state law or regulations, regardless of whether it has been disclosed or made available to the Contractor due to intentional or negligent actions or inactions of agents of the State or third parties.

It is expressly understood and agreed the obligations set forth in this section shall survive the termination of this Contract.

- E.8. HIPAA Compliance. The State and Contractor shall comply with obligations under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and its accompanying regulations.
- a. Contractor warrants to the State that it is familiar with the requirements of HIPAA and its accompanying regulations, and will comply with all applicable HIPAA requirements in the course of this Contract.
 - b. Contractor warrants that it will cooperate with the State, including cooperation and coordination with State privacy officials and other compliance officers required by HIPAA and its regulations, in the course of performance of the Contract so that both parties will be in compliance with HIPAA.
 - c. The State and the Contractor will sign documents, including but not limited to business associate agreements, as required by HIPAA and that are reasonably necessary to keep the State and Contractor in compliance with HIPAA. This provision shall not apply if information received by the State under this Contract is NOT "protected health information" as defined by HIPAA, or if HIPAA permits the State to receive such information without entering into a business associate agreement or signing another such document.

- E.9. Printing Authorization. The Contractor agrees that no publication coming within the jurisdiction of *Tennessee Code Annotated*, Section 12-7-101, *et. seq.*, shall be printed unless a printing authorization number has been obtained and affixed as required by *Tennessee Code Annotated*, Section 12-7-103 (d).
- E.10. Competitive Procurements. This Contract provides for reimbursement of the cost of goods, materials, supplies, equipment, or contracted services. Such procurements shall be made on a competitive basis, where practical. The Contractor shall maintain documentation for the basis of each procurement for which reimbursement is paid pursuant to this Contract. In each instance where it is determined that use of a competitive procurement method was not practical, said documentation shall include a written justification, approved by the Commissioner of Health, for such decision and non-competitive procurement.
- E.11. State Furnished Property. The Contractor shall be responsible for the correct use, maintenance, and protection of all articles of nonexpendable, tangible, personal property furnished by the State for the Contractor's temporary use under this Contract. Upon termination of this Contract, all property furnished shall be returned to the State in good order and condition as when received, reasonable use and wear thereof excepted. Should the property be destroyed, lost, or stolen, the Contractor shall be responsible to the State for the residual value of the property at the time of loss.
- E.12. Incorporation of Additional Documents. Included in this Contract by reference are the following documents:
- a. The Contract document and its attachments
 - b. All Clarifications and addenda made to the Contractor's Proposal
 - c. The Request for Proposal and its associated amendments
 - d. Technical Specifications provided to the Contractor
 - e. The Contractor's Proposal

In the event of a discrepancy or ambiguity regarding the Contractor's duties, responsibilities, and performance under this Contract, these documents shall govern in order of precedence detailed above.

- E.13. Prohibited Advertising. The Contractor shall not refer to this Contract or the Contractor's relationship with the State hereunder in commercial advertising in such a manner as to state or imply that the Contractor or the Contractor's services are endorsed. It is expressly understood and agreed that the obligations set forth in this section shall survive the termination of this Contract in perpetuity.
- E.14. Public Accountability. If the Contractor is subject to *Tennessee Code Annotated*, Title 8, Chapter 4, Part 4 or if this Contract involves the provision of services to citizens by the Contractor on behalf of the State, the Contractor agrees to establish a system through which recipients of services may present grievances about the operation of the service program, and the Contractor shall display in a prominent place, located near the passageway through which the public enters in order to receive services pursuant to this Contract, a sign at least twelve inches (12") in height and eighteen inches (18") in width stating:

NOTICE: THIS AGENCY IS A RECIPIENT OF TAXPAYER FUNDING. IF YOU OBSERVE AN AGENCY DIRECTOR OR EMPLOYEE ENGAGING IN ANY ACTIVITY WHICH YOU CONSIDER TO BE ILLEGAL, IMPROPER, OR WASTEFUL, PLEASE CALL THE STATE COMPTROLLER'S TOLL-FREE HOTLINE: 1-800-232-5454

- E.15. Environmental Tobacco Smoke. Pursuant to the provisions of the federal "Pro-Children Act of 1994" and the Tennessee "Children's Act for Clean Indoor Air of 1995," the Contractor shall prohibit smoking of tobacco products within any indoor premises in which services are provided pursuant to this Contract to individuals under the age of eighteen (18) years. The Contractor shall post "no smoking" signs in appropriate, permanent sites within such premises. This prohibition shall be applicable during all hours, not just the hours in which children are present. Violators of the prohibition may be subject to civil penalties and fines. This prohibition shall apply to and be made part of any subcontract related to this Contract.
- E.16. Lobbying. The Contractor certifies, to the best of its knowledge and belief, that:
- a. No federally appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
 - b. If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this contract, grant, loan, or cooperative agreement, the Contractor shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
 - c. The Contractor shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into and is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, *U.S. Code*.

- E.17. Debarment and Suspension. The Contractor certifies, to the best of its knowledge and belief, that it, its current and future principals, its current and future subcontractors and their principals:
- a. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department or agency;
 - b. have not within a three (3) year period preceding this Contract been convicted of, or had a civil judgment rendered against them from commission of fraud, or a criminal offence in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or grant under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;
 - c. are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses detailed in section b. of this certification; and
 - d. have not within a three (3) year period preceding this Contract had one or more public transactions (federal, state, or local) terminated for cause or default.

The Contractor shall provide immediate written notice to the State if at any time it learns that there was an earlier failure to disclose information or that due to changed circumstances, its principals or the principals of its subcontractors are excluded or disqualified.

- E.18. Contractor Commitment to Diversity. The Contractor shall comply with and make reasonable business efforts to exceed the commitment to diversity represented by the Contractor's proposal responding to RFP-34349-71411 (Attachment 6.2, B.15) and resulting in this Contract.

The Contractor shall assist the State in monitoring the Contractor's performance of this commitment by providing, as requested, a quarterly report of participation in the performance of this Contract by small business enterprises and businesses owned by minorities, women, and persons with a disability. Such reports shall be provided to the state of Tennessee Governor's Office of Diversity Business Enterprise in form and substance as required by said office.

- E.19. Performance Bond. The Contractor shall provide to the State a performance bond guaranteeing full and faithful performance of all undertakings and obligations under this Contract and in the amount equal to Three Million Dollars (\$3,000,000). The Contractor shall submit the bond no later than the day immediately preceding the Contract start date and in the manner and form prescribed by the State (at Attachment 3 hereto), and the bond shall be issued through a company licensed to issue such a bond in the state of Tennessee. The performance bond shall guarantee full and faithful performance of all undertakings and obligations under this Contract for:

- a. the Contract term and all extensions thereof; or
- b. the first, calendar year of the Contract (ending December 31st following the Contract start date) in the amount of Three Million Dollars (\$3,000,000) and, thereafter, a new performance bond in the amount of Three Million Dollars (\$3,000,000) covering each subsequent calendar year of the contract period. In which case, the Contractor shall provide such performance bonds to the State no later than each December 10th preceding the calendar year period covered beginning on January 1st of each year.

Failure to provide to the State the performance bond(s) as required herein prior to the Contract start date and, as applicable, no later than December 10th preceding each calendar year period covered beginning on January 1st of each year, shall result in contract termination. The Contractor understands that the stated amount of the performance bond required hereunder shall not be reduced during the contract period for any reason.

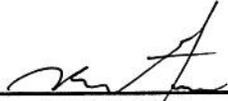
- E.20. Hold Harmless. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims, liabilities, losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity which may be injured or damaged as a result of acts, omissions, or negligence on the part of the Contractor, its employees, or any person acting for or on its or their behalf relating to this Contract. The Contractor further agrees it shall be liable for the reasonable cost of attorneys for the State in the event such service is necessitated to enforce the terms of this Contract or otherwise enforce the obligations of the Contractor to the State.

In the event of any such suit or claim, the Contractor shall give the State immediate notice thereof and shall provide all assistance required by the State in the State's defense. The State shall give the Contractor written notice of any such claim or suit, and the Contractor shall have full right and obligation to conduct the Contractor's own defense thereof. Nothing contained herein shall be deemed to accord to the Contractor, through its attorney(s), the right to represent the State of Tennessee in any legal matter, such rights being governed by *Tennessee Code Annotated*, Section 8-6-106.

- E.21. CFDA Number(s). When applicable, the Contractor shall inform its licensed independent public accountant of the federal regulations that are to be complied with in performance of an audit. This information shall consist of the following Catalog of Federal Domestic Assistance Numbers:

IN WITNESS WHEREOF,

NASHVILLE PHARMACY SERVICES, LLC:



6-15-2010

CONTRACTOR SIGNATURE

DATE

Kevin R. Hartman chief manager

PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)

DEPARTMENT OF HEALTH:



6-24-10

SUSAN R. COOPER, MSN, RN, COMMISSIONER

DATE



STATE OF TENNESSEE
DEPARTMENT OF HEALTH
Ryan White Program
CORDELL HULL BUILDING, 4th FLOOR
425 5th AVENUE NORTH
NASHVILLE, TENNESSEE 37247

HIV DRUG ASSISTANCE PROGRAM (HDAP) FORMULARY

Nucleoside /Nucleotide Reverse Transcriptase Inhibitors

Table listing various HIV medications such as Lamivudine/Zidovudine (Combivir), Emtricitabine (Emtriva), Lamivudine (Epivir), Abacavir/Lamivudine (Epzicom), Intelence (Etravirine), Zidovudine (Retrovir), Abacavir/Lamivudine/Zidovudine (Trizivir), Didanosine (Videx EC), Stavudine (Zerit), and Abacavin (Ziagen).

Non-Nucleoside Reverse Transcriptase Inhibitors

Efavirenz 600mg (Sustiva) Nevirapine 200mg (Viramune) Nevirapine 50mg/5ml (Viramune)

Atripla 200/300mg

Protease Inhibitors:

Table listing protease inhibitors including Tipranavir (Aptivus), Indinavir Sulfate (Crixivan), Saquinavir Mesylate (Invirase), Lopinavir/Ritonavir (Kaletra), Fosamprenavir Calcium (Lexiva), Ritonavir (Norvir), Prezista (Darunavir), Atazanavir Sulfate (Reyataz), and Nelfinavir Mesylate (Viracept).

Fusion Inhibitor

*Enfuvirtide (T-20) (Fuzeon)

CCR5 Inhibitors

Selzentry(Maraviroc) 150mg, 300mg

Integrase Inhibitors

Isentress 400mg (Raltegravir)

O. I. Treatments:

Table listing various oral treatments including Acyclovir (800 mg), Clarithromycin (Biaxin), Clindamycin (150 mg), Dapsone(100mg), Pymethamine (Daraprim), Fluconazole (Diflucan), Fluconazole 200mg (Diflucan), Paromomycin Sulfate (Humatin), Leucovorin (5 mg), Atovaquone 210ml (Mepron), Ethambutol HCL 400mg (Myambutol), Rifabutin 150mg (Mycobutin), Pentamidine IV300mg (NebuPent), Nystatin (100,000 U/ml), Primaquin (26.3mg), Promethazine (Phenergan) 25 mg, SMT/TMP DS (Bactrim) (800/160mg), Itraconazole 100mg (Sporanox), Sulfadiazine (500 mg), Valganciclovir HCL 450mg (Valcyte), Valacyclovir 500mg (Valtrex), and Azithromycin 600mg(Zithromax).

Miscellaneous Drugs:

Table listing miscellaneous drugs including Quinapril 10mg (Accupril), Pioglitazone 15mg (Actos), Pioglitazone 30mg (Actos), Amitriptyline (25 mg), Phenytoin 100mg(Dilantin), Venlafaxine XR 150mg (Effexor) XR, Glipizide 5mg (Glucotrol), Gemfibrozil 600mg (Lopid), Novolin 70/30 HCTZ (Hydrochlorothiazide (25mg)Metformin XR (500mg), Gabapentin 300mg (Neurontin), Gabapentin 800mg (Neurontin), Pravastatin Sodium 20mg (Pravachol), Prednisone (10 mg), Bupropion SR 100mg (Wellbutrin SR), Bupropion SR 150mg (Wellbutrin SR), and Sertraline 100mg (Zoloft).

Note: In addition, the following medicines are available through the Medical Services Fee Schedule:

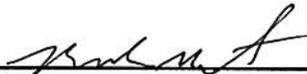
Table listing additional medicines: Amphotericin B (50 mg), Ganciclovir (500 mg), Ceftriaxone (Rocephin) (250 mg), Vancomycin (500 mg), Cosyntropin (Cortrosyn) (0.25 mg), and Foscarnet sodium (Foscavir) (1,000 mg).

• Non Centers of Excellence providers must obtain prior approval for Fuzeon and Selzentry.

ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE

SUBJECT CONTRACT NUMBER:	
CONTRACTOR LEGAL ENTITY NAME:	NASHVILLE PHARMACY SERVICES
FEDERAL EMPLOYER IDENTIFICATION NUMBER: (or Social Security Number)	62-1824832

The Contractor, identified above, does hereby attest, certify, warrant, and assure that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract.



CONTRACTOR SIGNATURE

NOTICE: This attestation MUST be signed by an individual empowered to contractually bind the Contractor. If said individual is not the chief executive or president, this document shall attach evidence showing the individual's authority to contractually bind the Contractor.

Kevin R. Hartman *Chief manager*

PRINTED NAME AND TITLE OF SIGNATORY

6-15-2010

DATE OF ATTESTATION

PERFORMANCE BOND

Bond No. 3340977

KNOW ALL BY THESE PRESENTS, That we Nashville Pharmacy Services, LLC, 225 State Street, Suite A, Nashville, TN 37203, as Principal, and SureTec Insurance Company, 952 Echo Lane, Houston TX 77024, authorized to do business in the State of Tennessee, as Surety, are held and firmly bound unto State of Tennessee, Department of Health, as Obligee, in the maximum penal sum of Three Million and 00/100 Dollars (\$3,000,000.00), lawful money of the United States of America, for which payment well and truly to be made we bind ourselves, our heirs, executors and assigns, jointly and severally, firmly by this Bond.

WHEREAS, the Principal has entered, or is about to enter, into a written agreement with the Obligee to perform in accordance with the terms and conditions of the Pharmacy Services Contract RFP# 34349-71411, (hereinafter referred to as the Contract) said Contract is hereby referred to and made a part hereof;

NOW, THEREFORE, the condition of this obligation is such that if the above mentioned Principal, its successors and assigns, shall well and truly perform its obligations as set forth in the above mentioned Contract, then this Bond shall be void; otherwise to remain in full force and effect pursuant to its terms.

Notwithstanding anything to the contrary in the Contract, the Bond is subject to the following express conditions:

1. Whereas, the Obligee has agreed to accept this Bond, this Bond shall be effective for the definite period of July 1, 2010 to December 31, 2010, at the sole option of the Surety, by continuation certificate for additional periods from the expiry date hereof. However, neither: (a) the Surety's decision not to issue a continuation certificate, nor (b) the failure or inability of the Principal to file a replacement bond or other security in the event the Surety exercises its right to not renew this Bond, shall itself constitute a loss to the Obligee recoverable under this Bond or any extension thereof.
2. The above referenced Contract has a term ending March 31, 2015. Regardless of the number of years this Bond is in force or the number of continuation certificates issued, this Bond shall not be extended beyond March 31, 2015, unless earlier nonrenewed pursuant to paragraph 1 above.
3. No claim, action, suit or proceeding, except as hereinafter set forth, shall be had or maintained against the Surety on this instrument unless such claim, action, suit or proceeding is brought or instituted upon the Surety within one (1) year from termination or expiration of the bond term.
4. Regardless of the number of years this Bond is in force or the number of continuation certificates issued, the liability of the Surety shall not be cumulative in the amounts from period to period and shall in no event exceed the amount set forth above, or as amended by rider.
5. Any notice, demand, certification or request for payment, made under this Bond shall be made in writing to the Surety at the address specified below. Any demand or request for payment must be made prior to the expiry date of this Bond.
 SureTec Insurance Company
 952 Echo Lane
 Houston, TX 77024
6. If any conflict or inconsistency exists between the Surety's obligations or undertakings as described in this Bond and as described in the underlying Contract, then the terms of this Bond shall prevail.
7. The Surety's liability to this Bond shall be limited to the afore said time period and shall not relate to events prior to the effective period of this Bond.

SIGNED, SEALED, AND DATED this 23rd day of June, 2010
Nashville Pharmacy Services, LLC

By: [Signature]
Kevin Hartman, Member, Principal

By: [Signature]
Gregory E. Nash, Attorney-in-Fact

ACKNOWLEDGEMENT BY OBLIGEE

By: _____
, Obligee

SureTec Insurance Company

LIMITED POWER OF ATTORNEY

Know All Men by These Presents, That SURETEC INSURANCE COMPANY (the "Company"), a corporation duly organized and existing under the laws of the State of Texas, and having its principal office in Houston, Harris County, Texas, does by these presents make, constitute and appoint

Gregory E. Nash, Kelly L. Berry, Phillip H. Condra

its true and lawful Attorney-in-fact, with full power and authority hereby conferred in its name, place and stead, to execute, acknowledge and deliver any and all bonds, recognizances, undertakings or other instruments or contracts of suretyship to include waivers to the conditions of contracts and consents of surety, providing the bond penalty does not exceed

Three Million Dollars and no/100 (\$3,000,000.00)

and to bind the Company thereby as fully and to the same extent as if such bond were signed by the President, sealed with the corporate seal of the Company and duly attested by its Secretary, hereby ratifying and confirming all that the said Attorney(s)-in-Fact may do in the premises. Said appointment shall continue in force until 9/30/11 and is made under and by authority of the following resolutions of the Board of Directors of the SureTec Insurance Company:

Be it Resolved, that the President, any Vice-President, any Assistant Vice-President, any Secretary or any Assistant Secretary shall be and is hereby vested with full power and authority to appoint any one or more suitable persons as Attorney(s)-in-Fact to represent and act for and on behalf of the Company subject to the following provisions:

Attorney-in-Fact may be given full power and authority for and in the name of and of behalf of the Company, to execute, acknowledge and deliver, any and all bonds, recognizances, contracts, agreements or indemnity and other conditional or obligatory undertakings and any and all notices and documents canceling or terminating the Company's liability thereunder, and any such instruments so executed by any such Attorney-in-Fact shall be binding upon the Company as if signed by the President and sealed and effected by the Corporate Secretary.

Be it Resolved, that the signature of any authorized officer and seal of the Company heretofore or hereafter affixed to any power of attorney or any certificate relating thereto by facsimile, and any power of attorney or certificate bearing facsimile signature or facsimile seal shall be valid and binding upon the Company with respect to any bond or undertaking to which it is attached. (*Adopted at a meeting held on 20th of April, 1999.*)

In Witness Whereof, SURETEC INSURANCE COMPANY has caused these presents to be signed by its President, and its corporate seal to be hereto affixed this 28th day of October, A.D. 2008.



SURETEC INSURANCE COMPANY

By: [Signature]
B.J. King, President

State of Texas ss:
County of Harris

On this 28th day of October, 2008 before me personally came B.J. King, to me known, who, being by me duly sworn, did depose and say, that he resides in Houston, Texas, that he is President of SURETEC INSURANCE COMPANY, the company described in and which executed the above instrument; that he knows the seal of said Company; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said Company; and that he signed his name thereto by like order.



[Signature]
Michelle Denny, Notary Public
My commission expires August 27, 2012

I, M. Brent Beaty, Assistant Secretary of SURETEC INSURANCE COMPANY, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney, executed by said Company, which is still in full force and effect; and furthermore, the resolutions of the Board of Directors, set out in the Power of Attorney are in full force and effect.

Given under my hand and the seal of said Company at Houston, Texas this 23rd day of June, 2010, A.D.

[Signature]
M. Brent Beaty, Assistant Secretary

Any instrument issued in excess of the penalty stated above is totally void and without any validity.
For verification of the authority of this power you may call (713) 812-0800 any business day between 8:00 am and 5:00 pm CST.

FA CONTRACT INFORMATION SUPPLEMENT
 FOR ALL FA-TYPE CONTRACTS — COMPLETE EITHER SECTION A OR SECTION B

Contract RFS # 34349-71411

Contractor: NASHVILLE PHARMACY SERVICES, LLC

**SECTION A—
 CONTRACTOR IS AN INDIVIDUAL**

**SECTION B—
 CONTRACTOR IS A COMPANY**
 (e.g., sole proprietorship, partnership, or corporation)

Is or has the contractor been a state employee?

NO (no additional information required)
 YES

Does an individual, who is or has been a state employee, own controlling interest in (or own) the contractor company?

NO (no additional information required)
 YES

Was such employment within the past six months?

NO
 YES (an approved rule exception permitting a contract within six months of employment is also required)

Was such employment within the past six months?

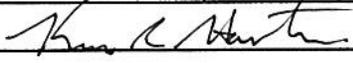
NO
 YES (an approved rule exception permitting a contract within six months of employment is also required)

Does the contractor receive Tennessee Consolidated Retirement System (TCRS) retirement benefits?

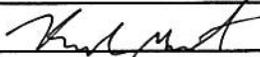
NO
 YES (the procuring agency general counsel MUST sign an analysis of this procurement using the TCRS analysis guidelines)

Does the individual who owns controlling interest in the contractor company receive Tennessee Consolidated Retirement System (TCRS) retirement benefits?

NO
 YES (the procuring agency general counsel MUST sign an analysis of this procurement using the TCRS analysis guidelines)

CONTRACTOR SIGNATURE 

Nashville Pharmacy Services LLC

CONTRACTOR  **DATE** 6-15-2010