CONTRACT #22
RFS # 343.49-79215
Edison # 46048

Department of Health

VENDOR:
Nashville Pharmacy Services, LLC

STATE OF TENNESSEE
DEPARTMENT OF HEALTH

JOHN J. DREYZEHNER, MD, MPH
COMMISSIONER

BILL HASLAM
GOVERNOR

November 12, 2015

Mr. Mark White, Chairman
Fiscal Review Committee
Rachel Jackson Building, 8th Floor
320 Sixth Avenue North
Nashville, TN 37243

Mr. Mike Perry, Chief Procurement Office
Department of General Services
Procurement Office
Tennessee Tower, 3rd Floor
Nashville, TN 37243

Dear Chairman White and CPO Perry:

The Department of Health is requesting to amend its contact with Nashville Pharmacy Services, LLC. (Edison Contract #46048). Through this contract, Nashville Pharmacy is responsible for ordering, receiving, storing, and dispensing pharmaceuticals for HIV and AIDS patients who participate in the federally funded Ryan White Part B program.

The Department of Health requests to amend this contract, to include Hepatitis C treatment for individuals who are dually infected with HIV and Hepatitis C.

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:	Tonya King	*Contact Phone:	615 741-0237
*Presenter's name(s):	Vincent Pinkney, Dr. Shanell McGoy, Dr. Carolyn Wester, Tonya King		
Edison Contract Number: *(if applicable)*	46048	RFS Number: *(if applicable)*	34349-79215
*Original or Proposed Contract Begin Date:	August 1, 2015	*Current or Proposed End Date:	July 31, 2020
Current Request Amendment Number: *(if applicable)*		FA1646048	
Proposed Amendment Effective Date: *(if applicable)*		January 20, 2016	
*Department Submitting:		Health	
*Division:		CEDEP	
*Date Submitted:		11/20/2015	
*Submitted Within Sixty (60) days:		Yes	
If not, explain:		N/A	
*Contract Vendor Name:		Nashville Pharmacy Services, LLC	
*Current or Proposed Maximum Liability:		Current $3,218,582.40	
*Estimated Total Spend for Commodities:			

*Current or Proposed Contract Allocation by Fiscal Year:
(as Shown on Most Current Fully Executed Contract Summary Sheet)

FY:2016	FY:2017	FY:2018	FY:2019	FY2020	FY
$643,716.48	$643,716.48	$643,716.48	$643,716.48	$643,716.48	$

*Current Total Expenditures by Fiscal Year of Contract:
(attach backup documentation from Edison)

FY:2016	FY:2017	FY:2018	FY:2019	FY2020	FY
$45,837.60	$ N/A	$ N/A	$ N/A	$ N/A	$

IF Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:	N/A
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:	N/A

Supplemental Documentation Required for Fiscal Review Committee

*Contract Funding Source/Amount:			
State:	$0	Federal:	$7,747,997.40
Interdepartmental:	$0	*Other*:	$0
If "*other*" please define:		N/A	
If "*interdepartmental*" please define:		N/A	

Dates of All Previous Amendments or Revisions: (*if applicable*)	Brief Description of Actions in Previous Amendments or Revisions: (*if applicable*)
N/A	N/A

Method of Original Award: (*if applicable*)	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

Paymel 2

Unit	Sum Merchandis	Edison Contract ID	Vendor ID	Vendor Name	Type	PO ID	Voucher ID	Invoice	Date	Fiscal Year
34301	22232.850	00000000000000000000046048	0000085184	Nashville Pharmacy Services LLC	ACM	0000124863	00723847	FA1646048AUG15	10/8/2015	2016
34301	23604.750	00000000000000000000046048	0000085184	Nashville Pharmacy Services LLC	ACM	0000124863	00727948	FA164604SEP15	10/26/2015	2016

Amendment Request

This request form is not required for amendments to grant contracts. 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

Agency request tracking #	**34349-79215**
1. Procuring Agency	**Department of Health, HIV/STD Program**
2. Contractor	**Nashville Pharmacy Service, LLC**
3. Edison contract ID #	**FA1646048**
4. Proposed amendment #	**1**
5. Contract's Effective Date	**August 1, 2015**
6. Current end date	**July 31, 2020**
7. Proposed end date	**July 31, 2020**
8. Current Maximum Liability or Estimated Liability	**$3,218,582.40**
9. Proposed Maximum Liability or Estimated Liability	**$3,547,229.40**
10. Office for Information Resources Pre-Approval Endorsement Request *– information technology service (N/A to THDA)*	☒ **Not Applicable** ☐ **Attached**
11. eHealth Pre-Approval Endorsement Request *– health-related professional, pharmaceutical, laboratory, or imaging*	☒ **Not Applicable** ☐ **Attached**
12. Human Resources Pre-Approval Endorsement Request *– state employee training service*	☒ **Not Applicable** ☐ **Attached**

13. Explain why the proposed amendment is needed

The execution of this contract amendment will provide Hepatitis C treatment for individuals who are dually infected with HIV and Hepatitis C.

14. If the amendment involves a change in Scope, describe efforts to identify reasonable, competitive, procurement alternatives to amending the contract.

Agency request tracking #	**34349-79215**
Original contract was procured through an RFP. Under this contract Nashville Pharmacy serves as the dispensing pharmacy for individuals with HIV disease who do not have insurance and rely on the State to provide their medication(s) to manage their chronic disease. Since all of the clients are already coming to Nashville Pharmacy to get their medication, it doesn't make sense to do another competitive procurement and add an additional provider just to dispense one set of medication prescriptions. Nashville Pharmacy will be dispensing these additional prescriptions basically at cost. TDH buys the medication and then ships it to Nashville Pharmacy to dispense. We pay a dispensing cost for which any profit made off that is offset by the high shipping cost for this Hep C medicine. Part of those abnormally high shipping insurance costs will be passed along to TDH to avoid the vendor from dispensing the medication at a loss.	
Signature of Agency head or authorized designee, title of signatory, and date (the authorized designee may sign his or her own name if indicated on the Signature Certification and Authorization document)	

PROPOSED AMENDMENT

CONTRACT AMENDMENT COVER SHEET

Agency Tracking #	Edison ID	Contract #	Amendment #
34349-79215	46048	FA1646048	1

Contractor Legal Entity Name	Edison Vendor ID
Nashville Pharmacy Services, LLC	85184

Amendment Purpose & Effect(s)

To increase the contract to add Hepatitis C language

Amendment Changes Contract End Date: ☐ YES ☒ NO **End Date:** **July 31, 2020**

TOTAL Contract Amount INCREASE or DECREASE per this Amendment (zero if N/A)**:** **$ 328,647**

Funding —

FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2016		$668,763.48			$668,763.48
2017		$719,616.48			$719,616.48
2018		$719,616.48			$719,616.48
2019		$719,616.48			$719,616.48
2020		$719,616.48			$719,616.48
TOTAL:		**$3,547,229.40**			**$3,547,229.40**

American Recovery and Reinvestment Act (ARRA) Funding: ☐ YES ☐ 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.

CPO USE

Speed Chart (optional)	Account Code (optional)
HL00000740	70804000

PROPOSED AMENDMENT

AMENDMENT 1
OF CONTRACT FA1646048

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. Clause f. of contract section A.5.a. (9) is deleted in its entirety and replaced with the following:

A.5. Service Description.

a. Operational phase:

(9) The Contractor should abide by the following requirements:

f. Report failure to deliver properly filled orders of medications in usable condition to an ADAP patient. The Contractor shall cover all related damages for failure to deliver; including, but not limited to, the total cost of doses of each medication (excluding Hepatitis C medications) that is delivered in an unusable condition and the cost of reshipping properly filled orders of usable medication to the ADAP client. Contractor shall pass along the cost for insuring Hepatitis C medications on the HDAP formulary at current Average Whole Price (AWP) rates. State will reimburse Contractor for the shipping insurance costs on prescribed Hepatitis C medications.

2. Contract section "C.1. Maximum Liability" is deleted in its entirety and replaced with the following:

C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed Three Million Five Hundred Forty Seven Thousand Two Hundred Twenty Nine Dollars Forty Cents ($3,547,229.40) ("Maximum Liability"). This Contract does not grant the Contractor any exclusive rights. The State does not guarantee that it will buy any minimum quantity of goods or services under this Contract. Subject to the terms and conditions of this Contract, the Contractor will only be paid for goods or services provided under this Contract after a purchase order is issued to Contractor by the State or as otherwise specified by this Contract.

3. C.3. Payment Methodology. The Contractor shall be compensated based on the payment methodology for goods or services authorized by the State in a total amount as set forth in Section C.1.

a. The Contractor's compensation shall be contingent upon the satisfactory provision of goods or services as set forth in Section A.

b. The Contractor shall be compensated based upon the following payment methodology:

Goods or Services Description	**Amount** (per compensable increment)
Contract: Year One	$13.45 /per prescription + cost of shipping insurance (only for Hepatitis C medications)
Contract: Year Two	$13.15 /per prescription + cost of shipping insurance (only for Hepatitis C medications)

PROPOSED AMENDMENT

Contract: Year Three	$12.80 /per prescription + cost of shipping insurance (only for Hepatitis C medications)
Contract: Year Four	$12.35 /per prescription + cost of shipping insurance (only for Hepatitis C medications)
Contract: Year Five	$12.05 /per prescription + cost of shipping insurance (only for Hepatitis C medications)

4. The following is added to Contract section "A.6 Service Reporting":

A.6. Service Reporting.

f. The Contractor shall provide the State with a separate printout of its monthly medication inventory reconciliation of all Hepatitis C medications by the fifth (5th) business day of the following month. The actual Hepatitis C inventory shall not deviate from the electronic inventory by more than 5%. If so, the Contractor shall provide the State a written explanation, along with a corrective action plan, if requested by the state.

g. The Contractor shall provide the State with a separate monthly invoice that details all costs incurred for the dispensing of Hepatitis C medications.

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 January 20, 2016. All other terms and conditions of this Contract not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF,

20

NASHVILLE PHARMACY SERVICES, LLC:

SIGNATURE **DATE**

PRINTED NAME AND TITLE OF SIGNATORY (above)

DEPARTMENT OF HEALTH:

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

Contract Approval – Agency Legal Certification

A completed contract routed for Central Procurement Office (CPO) approval via Edison must be accompanied by this Agency Legal Certification template that has been signed and attached in PDF format.

1. Edison Contract ID #	**46048**
2. Contracting Agency Name	**Department of Health**
3. Contractor Name	**Nashville Pharmacy Services, LLC**
4. Service Caption	**Mail Order Pharmacy Services**
5. Agency Contact (name, phone, e-mail)	**Terrie Nelson; 532-2206; terrie.nelson@tn.gov**

6. Legal Certification

By signing below, the department's legal staff certifies that:

1) the contract as submitted includes only CPO template language (unless the agency has obtained an approved rule exception request);
2) the contract is legally sufficient both in form and substance to protect the best interests of the State; and
3) the contract does not contravene applicable law.

Malaka Watson 11/20/2015

Agency Attorney Signature & Date

7. (Optional) Alternative to Legal Certification Request

Note: If there are extenuating circumstances and a department's legal staff is unable to certify to a contract in the above manner, you must provide a written explanation with Agency Head signature, in the space provided below. Once the explanation is received by the CPO, instructions will be provided to the department as to what will be needed in order to gain approval of the contract, e.g., providing a Microsoft Word version of the contract, etc. **Please keep in mind that this alternative will slow down the approval process and should be the exception, not the rule.**

Justification

Agency Head Signature & Date – *contracting agency head or authorized signatory*

CONTRACT

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

Begin Date	End Date	Agency Tracking #	Edison Record ID
August 1, 2015	July 31, 2020	34349-79215	46048

Contractor Legal Entity Name	Edison Vendor ID
Nashville Pharmacy Services, LLC	85184

Goods or Services Caption (one line only)

Mail-order Pharmacy Services

Subrecipient or Contractor	CFDA #
☐ Subrecipient ☒ Contractor	93.917

Funding —

FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2016		$643,716.48			$643,716.48
2017		$643,716.48			$643,716.48
2018		$643,716.48			$643,716.48
2019		$643,716.48			$643,716.48
2020		$643,716.48			$643,716.48
TOTAL:		$3,218,582.40			$3,218,582.40

Contractor Ownership Characteristics:

☐ Minority Business Enterprise (MBE): African American, Asian American, Hispanic American, Native American

☐ Woman Business Enterprise (WBE)

☐ Tennessee Service Disabled Veteran Enterprise (SDVBE)

☐ Tennessee Small Business Enterprise (SBE): $10,000,000.00 averaged over a three (3) year period or employs no more than ninety-nine (99) employees.

☐ Other:

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

☒ Competitive Selection	RFP
☐ Other	

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.

Speed Chart (optional)	Account Code (optional)
HL00000740	70804000

FA1646048

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 ("State") and Nashville Pharmacy Services, LLC ("Contractor"), is for the provision of Mail-order Pharmacy Services, as further defined in the "SCOPE." State and Contractor may be referred to individually as a "Party" or collectively as the "Parties" to this Contract.

The Contractor is a limited liability corporation.
Contractor Place of Incorporation or Organization: Tennessee
Contractor Edison Registration ID # 85184

A. **SCOPE:**

A.1. The Contractor shall provide all goods or services and deliverables as required, described, and detailed below and shall meet all service and delivery timelines as specified by this Contract.

A.2. Services Definitions.

a. "ADAP" means AIDS Drug Assistance Program, which encompasses the HIV Drug Assistance Program and the Insurance Assistance Program.

b. "HDAP" means HIV Drug Assistance Program.

c. "IAP" means Insurance Assistance Program.

d. "Clean Prescriptions" means those prescriptions which require no additional information from the provider and the demographic information matches data on the ADAP eligibility file provided by the State.

e. "Transition cost" means any costs incurred by the Contractor prior to August1, 2015.

A.3. Service Goals. To provide Ryan White Part B eligible clients FDA approved antiretroviral medications and many prophylactic and opportunistic infection treatment medications.

A.4. Services Recipients. A Tennessee Resident, diagnosed with HIV disease, with an income at or below 300% of the current Federal Poverty level that has been enrolled in Ryan White Part B HIV Drug Assistance Program.

A.5. Service Description. This contract shall be implemented in two (2) phases: an operating phase and a turnover phase.

a. Operational phase:

(1) Effective August 1, 2015, the Contractor shall begin filling prescriptions for approximately two thousand (2,000) Ryan White ADAP 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 ADAP clients.

(2) 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.

(3) The Contractor shall order medications through the State's ADAP 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.

(4) 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, 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.

(5) The Contractor shall track client demographic and utilization information. An electronic dispensing record shall be submitted via Secure-mail, in a format compatible with the ADAP database, which shall consist of a list of processed orders, containing at a minimum, client names and state issued ADAP 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 ADAP Coordinator by the fifth (5th) business day of the month listing the previous month's activities and reflecting changes in inventory levels.

(6) The Contractor shall arrange for the return of outdated or unusable ADAP 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 ADAP medications. The ADAP Coordinator shall be notified in writing of the return of ADAP medication within three (3) business days.

(7) 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.

(8) The Contractor shall provide to the ADAP Coordinator the names of at least two (2) staff contact persons to coordinate the eligibility determination process. All prescriptions from providers shall be faxed or submitted via e-prescriptions to the Contractor and <u>must</u> include the client's Ryan White identification number to be valid.

(9) The Contractor shall abide by the following requirements:

a. Mail, or deliver, if the Contractor prefers, medications directly to the ADAP 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 secure tracking system for clients to request prescription refills.

c. The packing materials used by the Contractor shall conform to manufacturers' and Federal Drug Administration (FDA) requirements and be approved by the State. 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.

d. Have a secure tracking system (as required in A.5.a.[9]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 D.2 of this contract and by telephone to the ADAP Coordinator or designee.

f. Report failure to deliver properly filled orders of medications in usable condition to an ADAP 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 ADAP client.

g. Notify the ADAP Coordinator immediately by phone of any incorrect client delivery address or changes in the clients' ADAP eligibility status.

h. Provide documentation of courier delivery by providing a report containing the date of each shipment, 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 ADAP 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 client and the address is incorrect, the State shall assume responsibility for the value of any unusable medications that are not covered under the insurance plan of the common carrier.

j. Participate via phone, e-mail communications, or in person in monthly meetings.

k. Attend the two annual statewide HIV meetings.

l. Participate in annual program and fiscal monitoring within thirty (30) days of the end of each Federal funding year.

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

(11) 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

ADAP. The Contractor shall **NOT** contact former ADAP clients, nor share contact information with any other company.

(12) The Contractor shall not insert any flyers, advertisements, or products into medication packages dispensed to ADAP clients without prior State approval.

(13) The Contractor shall provide Patient Education/Medication Adherence Case Manager(s) for enrolled ADAP 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 ADAP client's assigned Medical Care Manager.

(14) The Contractor shall maintain a minimum of one (1) in-State dispensing pharmacy.

(15) 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 ADAP 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.

(16) The Contractor shall provide a client Mail Order Pharmacy orientation for all current and future ADAP 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.

(17) The Contractor shall provide the State with the name of the pharmacy manager who shall be the contact person for ADAP client/State problems and complaints.

(18) 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.

b. Turnover Phase:

The incumbent contractor shall coordinate with the State and the succeeding Contractor to facilitate a seamless transition of services by:

(1) Transferring all remaining Tennessee ADAP 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;

(2) Providing the Ryan White Part B Program an Inventory Report of all remaining drugs that are being transferred to the succeeding Contractor;

(3) Transferring all active prescriptions to succeeding contractor within ten (10) business days following the request of the State;

(4) Providing a list of all current ADAP clients, all active prescriptions, the number of remaining refills on all active prescriptions, and the expiration dates of the active prescriptions.

(5) Transferring all remaining Tennessee ADAP Formulary drug inventory to the succeeding Contractor within ten (10) business days following the last day of this Contract.

A.6. Service Reporting.

a. The Contractor should submit to the State, within three (3) business days following receipt of the medication order, 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.

b. 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.

c. The Contractor shall submit an electronic dispensing record report to the ADAP Coordinator by the fifth (5th) day of the month listing the previous month's activities and reflecting changes in inventory levels.

d. The Contractor shall provide the State a printout of its monthly medication inventory reconciliation by the fifth (5th) business day of the following month. The actual inventory should not deviate from the electronic inventory by more than 5%. If so, the Contractor shall provide the State a written explanation, along with a corrective action plan if requested by the State.

e. The State shall provide the Contractor with contact information for each ADAP client's assigned Medical Care Manager.

A.7. Service Requirements.

Requirement	Contract Section	Delivery Date	Due to Whom?	Requested Format
Operational phase	A.5.a.(1-18)	Effective Date thru end of contract period	ADAP Clients State	U S mail or Electronic mail
Turnover phase	A.5.b.(1-5)	Within ten (10) business days following the last day of this contract	Succeeding Contractor State	Electronically According to all applicable Federal and State laws, rules, and regulations

A.8. Warranty. Contractor represents and warrants that throughout the Term of this Contract ("Warranty Period"), the goods or services provided under this Contract shall conform to the terms and conditions of this Contract. Any nonconformance of the goods or services to the terms and conditions of this Contract shall constitute a "Defect" and shall be considered "Defective." If Contractor receives notice of a Defect during the Warranty Period, then Contractor shall correct the Defect, at no additional charge.

Contractor represents and warrants that all goods or services provided under this Contract shall be provided in a timely and professional manner, by qualified and skilled individuals, in conformity with standards generally accepted in Contractor's industry.

If Contractor fails to provide the goods or services as warranted, then Contractor will re-provide the goods or services at no additional charge. If Contractor is unable or unwilling to re-provide the

goods or services as warranted, then the State shall be entitled to recover the fees paid to Contractor for the Defective goods or services.

A.9. Inspection and Acceptance. The State shall have the right to inspect all goods or services provided by Contractor under this Contract. If, upon inspection, the State determines that the goods or services are Defective, the State shall notify Contractor, and Contractor shall re-deliver the goods or provide the services at no additional cost to the State. If after a period of thirty (30) days following delivery of goods or performance of services the State does not provide a notice of any Defects, the goods or services shall be deemed to have been accepted by the State.

B. TERM OF CONTRACT:

This Contract shall be effective on August 1, 2015 ("Effective Date") and extend for a period of sixty (60) 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. PAYMENT TERMS AND CONDITIONS:

C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed three million two hundred eighteen thousand five hundred eighty-two dollars and forty cents ($3,218,582.40) ("Maximum Liability") This Contract does not grant the Contractor any exclusive rights. The State does not guarantee that it will buy any minimum quantity of goods or services under this Contract. Subject to the terms and conditions of this Contract, the Contractor will only be paid for goods or services provided under this Contract after a purchase order is issued to Contractor by the State or as otherwise specified by this Contract.

C.2. Compensation Firm. The payment methodology in Section C.3.of this Contract shall constitute the entire compensation due the Contractor for all goods or services provided under this Contract regardless of the difficulty, materials or equipment required. The payment methodology includes all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Contractor.

C.3. Payment Methodology. The Contractor shall be compensated based on the payment methodology for goods or services authorized by the State in a total amount as set forth in Section C.1.

a. The Contractor's compensation shall be contingent upon the satisfactory provision of goods or services as set forth in Section A.

b. The Contractor shall be compensated based upon the following payment methodology:

Goods or Services Description	Amount (per compensable increment)
Contract Year One	$13.45 /per prescription
Contract Year Two	$13.15 /per prescription
Contract Year Three	$12.80 /per prescription
Contract Year Four	$12.35 /per prescription
Contract Year Five	$12.05 /per prescription

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

C.5. Invoice Requirements. The Contractor shall invoice the State only for goods delivered and accepted by the State or services satisfactorily provided at the amounts stipulated in Section C.3., above. Contractor shall submit invoices and necessary supporting documentation, no more

frequently than once a month, and no later than thirty (30) days after goods or services have been provided to the following address:

Contract Coordinator
HIV/STD Program
Tennessee Department of Health
Andrew Johnson Tower, 4th Floor
710 James Robertson Parkway
Nashville, TN 37243

a. Each invoice, on Contractor's letterhead, shall clearly and accurately detail all of the following information (calculations must be extended and totaled correctly):

(1) Invoice number (assigned by the Contractor);
(2) Invoice date;
(3) Contract number (assigned by the State);
(4) Customer account name: Tennessee Department of Health, Ryan White Part B Program;
(5) Customer account number (assigned by the Contractor to the above-referenced Customer);
(6) Contractor name;
(7) Contractor Tennessee Edison registration ID number;
(8) Contractor contact for invoice questions (name, phone, ore-mail);
(9) Contractor remittance address;
(10) Description of delivered goods or services provided and invoiced, including identifying information as applicable;
(11) Number of delivered or completed units, increments, hours, or days as applicable, of each good or service invoiced;
(12) Applicable payment methodology (as stipulated in Section C.3.) of each good or service invoiced;
(13) Amount due for each compensable unit of good or service; and
(14) Total amount due for the invoice period.

b. Contractor's invoices shall:

(1) Only include charges for goods delivered or services provided as described in Section A and in accordance with payment terms and conditions set forth in Section C;
(2) Only be submitted for goods delivered or services completed and shall not include any charge for future goods to be delivered or services to be performed;
(3) Not include Contractor's taxes, which includes without limitation Contractor's sales and use tax, excise taxes, franchise taxes, real or personal property taxes, or income taxes; and
(4) Include shipping or delivery charges only as authorized in this Contract.

c. The timeframe for payment (or any discounts) begins only when the State is in receipt of an invoice that meets the minimum requirements of this Section C.5.

C.6. Payment of Invoice. A payment by the State shall not prejudice the State's right to object to or question any payment, invoice, or other matter. A payment by the State shall not be construed as acceptance of goods delivered, any part of the services provided, or as approval of any amount invoiced.

C.7. Invoice Reductions. The Contractor's invoice shall be subject to reduction for amounts included in any invoice or payment that is determined by the State, on the basis of audits conducted in accordance with the terms of this Contract, to not constitute proper compensation for goods delivered or services provided.

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 that are or shall become due and payable to the State of Tennessee by the Contractor.

C.9. Prerequisite Documentation. The Contractor shall not invoice the State under this Contract until the State has received the following, properly completed documentation.

a. The Contractor shall complete, sign, and present to the State an "Authorization Agreement for Automatic Deposit Form" provided by the State. By doing so, the Contractor acknowledges and agrees that, once this form is received by the State, 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.

b. The Contractor shall complete, sign, and present to the State a "Substitute W-9 Form" provided by the State. The taxpayer identification number in the Substitute W-9 Form must be the same as the Contractor's Federal Employer Identification Number or Tennessee Edison Registration ID.

D. MANDATORY TERMS AND CONDITIONS:

D.1. Required Approvals. The State is not bound by this Contract until it is duly approved by the Parties and all appropriate State officials in accordance with applicable Tennessee laws and regulations. Depending upon the specifics of this Contract, this may include approvals by the Commissioner of Finance and Administration, the Commissioner of Human Resources, the Comptroller of the Treasury, and the Chief Procurement Officer. Approvals shall be evidenced by a signature or electronic approval.

D.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. All communications, regardless of method of transmission, shall be addressed to the respective Party at the appropriate mailing address, facsimile number, or email address as stated below or any other address provided in writing by a Party.

The State:

Tonya King, Director
Ryan White Part B Program
Tennessee Department of Health
Andrew Johnson Tower, 4th Fl.
710 James Robertson Parkway
Nashville, TN 37243
Tonya.King@tn.gov
Telephone #: 615-741-7500
FAX #: 615-253-1686

The Contractor:

Kevin Hartman, PharmD
Nashville Pharmacy Services
719 Thomason Lane, Suite 57100
Nashville, TN 37204
Kevin@npspharmacy.com
Telephone # 615-371-1210
FAX # 615-371-1270

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

D.3. Modification and Amendment. This Contract may be modified only by a written amendment signed by all Parties and approved by all applicable State officials.

D.4. Subject to Funds Availability. The Contract is subject to the appropriation and availability of State or federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate this Contract upon written notice to the Contractor. The State's exercise of its right to terminate this Contract shall not constitute a breach of Contract by the State. Upon receipt of the written notice, the Contractor shall cease all work associated with the Contract. If the State terminates this Contract due to lack of funds availability, the Contractor shall be entitled to compensation for all conforming goods requested and accepted by the State and for all satisfactory and authorized services completed as of the termination date. Should the State exercise its right to terminate this Contract due to unavailability of funds, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages of any description or amount.

D.5. Termination for Convenience. The State may terminate this Contract for convenience without cause and for any reason. The State shall give the Contractor at least thirty (30) days written notice before the termination date. The Contractor shall be entitled to compensation for all conforming goods delivered and accepted by the State or for satisfactory, authorized services completed as of the termination date. In no event shall the State be liable to the Contractor for compensation for any goods neither requested nor accepted by the State or for any services neither requested by the State nor satisfactorily performed by the Contractor. In no event shall the State's exercise of its right to terminate this Contract for convenience relieve the Contractor of any liability to the State for any damages or claims arising under this Contract.

D.6. 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 materially violates any terms of this Contract ("Breach Condition"),the State shall have the right to immediately terminate the Contract and withhold payments in excess of compensation for completed services or provided goods. Notwithstanding the above, the Contractor shall not be relieved of liability to the State for damages sustained by virtue of any Breach Condition and the State may seek other remedies allowed at law or in equity for breach of this Contract.

D.7. Assignment and Subcontracting. The Contractor shall not assign this Contract or enter into a subcontract for any of the goods or services provided under this Contract without the prior written approval of the State. Notwithstanding any use of the approved subcontractors, the Contractor shall be the prime contractor and responsible for compliance with all terms and conditions of this Contract. The State reserves the right to request additional information or impose additional terms and conditions before approving an assignment of this Contract in whole or in part or the use of subcontractors in fulfilling the Contractor's obligations under this Contract.

D.8. Conflicts of Interest. The Contractor warrants that no part of the Contractor's compensation 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 under this Contract.

The Contractor acknowledges, understands, and agrees that this Contract shall be null and void if the Contractor is, or within the past six (6) months has been, an employee of the State of Tennessee or if the Contractor is an entity in which a controlling interest is held by an individual who is, or within the past six (6) months has been, an employee of the State of Tennessee.

D.9. 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 handicap or disability, age, race, creed, color, religion, sex, national origin, or any

other classification protected by federal or state law. The Contractor shall, upon request, show proof of nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

D.10. Prohibition of Illegal Immigrants. The requirements of Tenn. Code Ann. § 12-3-309 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 agrees 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, semi-annually during the Term. If the Contractor is a party to more than one contract with the State, the Contractor may submit one attestation that applies to all contracts with the State. All Contractor 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 Term, 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 under this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant to perform work under this Contract. Attestations obtained from 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. Contractor's 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 Tenn. Code Ann. § 12-3-309 for acts or omissions occurring after its effective date.

e. For purposes of this Contract, "illegal immigrant" shall be defined as any person who is not:(i) a United States citizen;(ii) a Lawful Permanent Resident;(iii) a person whose physical presence in the United States is authorized;(iv) allowed by the federal Department of Homeland Security and who, under federal immigration laws or regulations, is authorized to be employed in the U.S.; or (v) is otherwise authorized to provide services under the Contract.

D.11. Records. The Contractor shall maintain documentation for all charges under this Contract. The books, records, and documents of the Contractor, for work performed or money received under this Contract, shall be maintained for a period of five (5) 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.12. 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.13. Progress Reports. The Contractor shall submit brief, periodic, progress reports to the State as requested.

D.14. Strict Performance. Failure by any Party to this Contract to require, in any one or more cases, 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 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.

D.15. Independent Contractor. The Parties shall not act as employees, partners, joint venturers, or associates of one another. The Parties are independent contracting entities. Nothing in this Contract shall be construed to create an employer/employee relationship or to allow either Party 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 are not employees or agents of the other Party.

D.16 Patient Protection and Affordable Care Act. The Contractor agrees that it will be responsible for compliance with the Patient Protection and Affordable Care Act ("PPACA") with respect to itself and its employees, including any obligation to report health insurance coverage, provide health insurance coverage, or pay any financial assessment, tax, or penalty for not providing health insurance. The Contractor shall indemnify the State and hold it harmless for any costs to the State arising from Contractor's failure to fulfill its PPACA responsibilities for itself or its employees.

D.17. Limitation of State's Liability. The State shall have no liability except as specifically provided in this Contract. In no event will the State be liable to the Contractor or any other party for any lost revenues, lost profits, loss of business, decrease in the value of any securities or cash position, time, money, goodwill, or any indirect, special, incidental, punitive, exemplary or consequential damages of any nature, whether based on warranty, contract, statute, regulation, tort (including but not limited to negligence), or any other legal theory that may arise under this Contract or otherwise. The State's total liability under this Contract (including any exhibits, schedules, amendments or other attachments to the Contract) or otherwise shall under no circumstances exceed the Maximum Liability. This limitation of liability is cumulative and not per incident.

D.18. Limitation of Contractor's Liability. In accordance with Tenn. Code Ann. § 12-3-701, the Contractor's liability for all claims arising under this Contract shall be limited to an amount equal to two (2) times the Maximum Liability amount detailed in Section C.1. and as may be amended, PROVIDED THAT in no event shall this Section limit the liability of the Contractor for intentional torts, criminal acts, fraudulent conduct, or omissions that result in personal injuries or death.

D.19. 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 to enforce the terms of this Contract.

In the event of any suit or claim, the Parties shall give each other immediate notice and provide all necessary assistance to respond. The failure of the State to give notice shall only relieve the Contractor of its obligations under this Section to the extent that the Contractor can demonstrate actual prejudice arising from the failure to give notice. This Section shall not grant the Contractor, through its attorneys, the right to represent the State in any legal matter, as the right to represent the State is governed by Tenn. Code Ann. § 8-6-106.

D.20. HIPAA Compliance. The State and Contractor shall comply with obligations under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), Health Information Technology for Economic and Clinical Health ("HITECH") Act and any other relevant laws and regulations regarding privacy (collectively the "Privacy Rules"). The obligations set forth in this Section shall survive the termination of this Contract.

a. Contractor warrants to the State that it is familiar with the requirements of the Privacy Rules, and will comply with all applicable 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 the Privacy Rules, in the course of performance of the Contract so that both parties will be in compliance with the Privacy Rules.

c. The State and the Contractor will sign documents, including but not limited to business associate agreements, as required by the Privacy Rules and that are reasonably necessary to keep the State and Contractor in compliance with the Privacy Rules. This provision shall not apply if information received or delivered by the parties under this Contract is NOT "protected health information" as defined by the Privacy Rules, or if the Privacy Rules permit the parties to receive or deliver the information without entering into a business associate agreement or signing another document.

d. The Contractor will indemnify the State and hold it harmless for any violation by the Contractor or its subcontractors of the Privacy Rules. This includes the costs of responding to a breach of protected health information, the costs of responding to a government enforcement action related to the breach, and any fines, penalties, or damages paid by the State because of the violation.

D.21. Tennessee Consolidated Retirement System. Subject to statutory exceptions contained in Tenn. Code Ann. §§ 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 under Tenn. Code Ann. §§ 8-35-101, *et seq.*, 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, if a retired member of TCRS, may be required to repay to TCRS the amount of retirement benefits the Contractor received from TCRS during the Term.

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.

D.23. 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 offense 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.

D.24. Force Majeure. "Force Majeure Event" means fire, flood, earthquake, elements of nature or acts of God, wars, riots, civil disorders, rebellions or revolutions, acts of terrorism or any other similar cause beyond the reasonable control of the Party except to the extent that the non-performing Party is at fault in failing to prevent or causing the default or delay, and provided that the default or delay cannot reasonably be circumvented by the non-performing Party through the use of alternate sources, workaround plans or other means. A strike, lockout or labor dispute shall not excuse either Party from its obligations under this Contract. Except as set forth in this Section, any failure or delay by a Party in the performance of its obligations under this Contract arising from a Force Majeure Event is not a default under this Contract or grounds for termination. The non-performing Party will be excused from performing those obligations directly affected by the Force Majeure Event, and only for as long as the Force Majeure Event continues, provided that the Party continues to use diligent, good faith efforts to resume performance without delay. The occurrence of a Force Majeure Event affecting Contractor's representatives, suppliers, subcontractors, customers or business apart from this Contract is not a Force Majeure Event under this Contract. Contractor will promptly notify the State of any delay caused by a Force Majeure Event (to be confirmed in a written notice to the State within one (1) day of the inception of the delay) that a Force Majeure Event has occurred, and will describe in reasonable detail the nature of the Force Majeure Event. If any Force Majeure Event results in a delay in Contractor's performance longer than forty-eight (48) hours, the State may, upon notice to Contractor: (a) cease payment of the fees until Contractor resumes performance of the affected obligations; or (b) immediately terminate this Contract or any purchase order, in whole or in part, without further payment except for fees then due and payable. Contractor will not increase its charges under this Contract or charge the State any fees other than those provided for in this Contract as the result of a Force Majeure Event.

D.25. State and Federal Compliance. The Contractor shall comply with all applicable state and federal laws and regulations in the performance of this Contract.

D.26. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Tennessee Claims Commission or the state or federal courts in Tennessee shall be the venue for all claims, disputes, or disagreements arising under this Contract. The Contractor acknowledges and agrees that any rights, claims, or remedies against the State of Tennessee or its employees arising under this Contract shall be subject to and limited to those rights and remedies available under Tenn. Code Ann. §§ 9-8-101- 407.

D.27. Entire Agreement. This Contract is complete and contains the entire understanding between the Parties relating to its subject matter, 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, whether written or oral.

D.28. 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 of this Contract shall not be affected and shall remain in full force and effect. The terms and conditions of this Contract are severable.

D.29. Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.

D.30. Incorporation of Additional Documents. Each of the following documents is included as a part of this Contract by reference. In the event of a discrepancy or ambiguity regarding the Contractor's duties, responsibilities, and performance under this Contract, these items shall govern in order of precedence below:

a. any amendment to this Contract, with the latter in time controlling over any earlier amendments;
b. this Contract with any attachments or exhibits (excluding the items listed at subsections c. through f., below);
c. any clarifications of or addenda to the Contractor's proposal seeking this Contract;

d. the State solicitation, as may be amended, requesting responses in competition for this Contract;

e. any technical specifications provided to proposers during the procurement process to award this Contract; and,

f. the Contractor's response seeking 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, the special terms and conditions shall be subordinate to the Contract's other terms and conditions.

E.2. 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 whichever is greater.

(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.

(4) Errors and Omission Coverage with a limit of not less than one million dollars ($1,000,000) per claim and two million dollars ($2,000,000) aggregate.

b. The Contractor shall provide a valid Certificate of Insurance naming the State as an additional insured and 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. Contractor shall obtain from Contractor's insurance carrier(s) and will deliver to the State waivers of the subrogation rights under the respective policies. Failure to provide required evidence of insurance coverage shall be a material breach of this Contract.

E.3. 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 that is regarded as confidential under state or federal law shall be regarded as "Confidential Information". Nothing in this Section shall permit Contractor to disclose any Confidential Information, 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. Confidential Information shall not be disclosed except as required or permitted under state or federal law. Contractor shall take all necessary steps to safeguard the confidentiality of such material or information in conformance with applicable state and federal law.

The obligations set forth in this Section shall survive the termination of this Contract.

E.4. Printing Authorization. The Contractor agrees that no publication coming within the jurisdiction of Tenn. Code Ann. §§ 12-7-101, *et. seq.*, shall be printed pursuant to this Contract unless a printing authorization number has been obtained and affixed as required by Tenn. Code Ann .§ 12-7-103(d).

E.5. 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 use under this Contract. Upon termination of this Contract, all property furnished by the State shall be returned to the State in the same condition as when received, less reasonable wear and tear. Should the property be destroyed, lost, or stolen, the Contractor shall be responsible to the State for the fair market value of the property at the time of loss.

E.6. Prohibited Advertising or Marketing. The Contractor shall not suggest or imply in advertising or marketing materials that Contractor's goods or services are endorsed by the State. The restrictions on Contractor advertising or marketing materials under this Section shall survive the termination of this Contract.

E.7. Public Accountability. If the Contractor is subject to Tenn. Code Ann. §§ 8-4-401, *et seq.*, 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 Contractor's operation of the service program. The Contractor shall also display in a prominent place, located near the passageway through which the public enters in order to receive contract-supported services, a sign at least eleven inches (11") in height and seventeen inches (17") in width stating the following:

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

The sign shall be of the form prescribed by the Comptroller of the Treasury. The contracting state agency shall request copies of the sign from the Comptroller of the Treasury and provide signs to contractors.

E.8. 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.9. 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 Contractor, 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 any 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 31 U.S.C. § 1352.

E.10. 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 Response to RFP 34349-79215 (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 Tennessee service-disabled veterans. Such reports shall be provided to the State of Tennessee Governor's Office of Diversity Business Enterprise in the required form and substance.

E.11. 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 specifically faithful performance of the work in accordance with the plans, specifications, and Contract documents. The Contractor shall submit the bond no later than the day immediately preceding the Effective Date and in the manner and form prescribed by the State at Attachment 3. The bond shall be issued by 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 the first year of the Term in the amount of Three Million Dollars ($3,000,000.00) and, thereafter, a new performance bond in an amount of one hundred percent (100%) of the Maximum Liability, Three Million Dollars ($3,000,000.00) covering each subsequent year of the Term, including any renewals or extensions. The State reserves the right to review the bond amount and bonding requirements at any time during the Term. The Contractor shall provide performance bonds to the State prior to the Effective Date and thirty (30) days prior to the beginning of each renewal or extended Term.

Failure to provide to the State the performance bond(s) as required under this Contract may result in this Contract being terminated by the State. The performance bond required under this Contract shall not be reduced during the Term without the State's prior written approval.

E.12. 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:

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/

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.

E.13. 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:

CFDA # 93.917 Ryan White HIV/AIDS Program

IN WITNESS WHEREOF,

NASHVILLE PHARMACY SERVICES, LLC.:

CENTRAL PROCUREMENT OFFICE

5/15/2015

CONTRACTOR SIGNATURE DATE

Kevin R. Hartman chief manager

PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)

DEPARTMENT OF HEALTH:

John J. Dreyzehner, MD, MPH 5·18·15

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

ATTACHMENT 2

ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE

If the attestation applies to more than one contract, modify this row accordingly. SUBJECT CONTRACT NUMBER:	
CONTRACTOR LEGAL ENTITY NAME:	
FEDERAL EMPLOYER IDENTIFICATION NUMBER: (or Social Security Number)	

If the attestation applies to more than one contract, modify the following paragraph accordingly.

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. Attach evidence documenting the individual's authority to contractually bind the Contractor, unless the signatory is the Contractor's chief executive or president.

Kevin R Hartman chief manager

PRINTED NAME AND TITLE OF SIGNATORY

5/15/2015

DATE OF ATTESTATION

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