

NOTICE OF AWARD
TABLE OF CONTENTS

	PAGE NUMBER
TERMS AND CONDITIONS.....	00001
CONTRACT VENDORS.....	00005
CONTRACT ITEMS/SERVICES BY LINE ITEM.....	00006
DESCRIPTION: DRUGS & PHARMACEUTICALS FOR:.....	00006
DESCRIPTION: DRUGS & PHARMACEUTICALS FOR:.....	00006

STATE OF ILLINOIS
DEPARTMENT OF
CENTRAL MANAGEMENT SERVICES

T NUMBER: T2410
PAGE NO.: 00001

DISTRIBUTE TO: 416PSD : BUREAU OF STRATEGIC SOURCING

NOTICE OF AWARD

CONTRACT TITLE: PSD DRUGS & PHARMACEUTICALS - PRIME
VENDOR, STATEWIDE DELIVERIES

CONTRACT NO: 4017055

OPTIONS AVAILABLE: 02 JOINT PURCHASING: NO

VENDOR NAME AND ADDRESS VENDOR NUMBER:
CARDINAL HEALTH INC
DBA CARDINAL HEALTH 110 LLC
7000 CARDINAL PLACE
DUBLIN, OH 43017-1091

CONTACT THE FOLLOWING IN THE EVENT OF QUESTIONS PERTAINING TO THIS CONTRACT:

BUYER NAME AND PHONE
SUZY ANDERSON
(217) 785-1659

SOLICITATION: 225480 BID OPEN DATE: 07/14/11

CONTRACT NO: 4017055
K27035 : SCOPE:

TO ESTABLISH A THREE-YEAR OPEN-END CONTRACT FOR THE PURCHASE OF BRAND AND GENERIC DRUGS AND PHARMACEUTICALS FOR THE ILLINOIS DEPARTMENT OF HUMAN SERVICES AND THE ILLINOIS DEPARTMENT OF PUBLIC HEALTH.

UPON MUTUAL AGREEMENT OF THE PARTIES, THE STATE RESERVES THE RIGHT TO RENEW THE RESULTING CONTRACT FOR A TOTAL OF SIX (6) YEARS IN ONE OF THE FOLLOWING MANNERS:

- A) TWO THREE-YEAR RENEWALS.
- B) INDIVIDUAL ONE-YEAR RENEWALS.
- C) ANY COMBINATION OF FULL OR PARTIAL-YEAR RENEWALS UP TO AND INCLUDING THE ENTIRE RENEWAL ALLOWANCE.

EXCEPTIONS AND EXCLUSIONS TO THE CONTRACT:
CERTAIN DRUG AND PHARMACEUTICAL NEEDS ARE, OR MAY BE, MET DURING THE TERM OF THE CONTRACT BY PLACING ORDERS WITH OTHER SOURCES. FOR EXAMPLE, AN AGENCY MAY HAVE CONTRACTS OR WILL ENTER INTO CONTRACTS WITH HEALTH CARE PROVIDERS AND FACILITIES THAT WILL INCLUDE PROVISION OF DRUGS AND PHARMACEUTICALS. SUCH NEEDS ARE NOT AUTOMATICALLY COVERED BY THIS CONTRACT.

THE STATE RESERVES THE RIGHT TO PURCHASE PRODUCTS IN CASES WHEN THE MANUFACTURER'S DIRECT PRICE WOULD BE LESS THAN THE PRICE PROVIDED BY THE RESULTING PRIME VENDOR'S (WHOLESALE) CONTRACT. THE STATE ALSO RESERVES THE RIGHT TO PURCHASE DRUGS THAT NEED TO BE REPACKAGED IN UNIT DOSE CONFIGURATION FROM ALTERNATIVE VENDORS THAT RE-PACKAGE MEDICATION.

SPECIAL NOTE:
WHEN THE AWARDED VENDOR'S WEBSITE DOES NOT REFLECT ANY QUANTITY ON-HAND, OR QUANTITIES LISTED ARE INSUFFICIENT TO MEET THE REQUIREMENTS, THE ORDER MAY BE PLACED WITH THE MANUFACTURER. IF THIS RESULTS IN INCREASED ACQUISITION COSTS TO THE STATE, THE PRIME VENDOR WILL BE HELD FISCALLY RESPONSIBLE FOR THE DIFFERENCE IN PRICE.

SPECIFICATIONS:
ALL ITEMS MUST CONFORM TO SPECIFICATIONS OF THE CURRENT UNITED STATES PHARMACOPEIA (U.S.P.) OR NATIONAL FORMULARY (N.F.) WHERE APPLICABLE AND MUST BE SO LABELED. ITEMS MUST ALSO CONFORM TO INDIVIDUAL SPECIFICATIONS AS DESCRIBED.

ONLY PRODUCTS OF DRUG AND PHARMACEUTICAL MANUFACTURERS THAT HAVE APPLIED FOR AND RECEIVED APPROVAL BY THE ILLINOIS FORMULARY AS A MANUFACTURER FOR DRUG AND DRUG PRODUCTS FOR USE BY STATE OF ILLINOIS INSTITUTIONS WILL BE CONSIDERED FOR PURCHASE. CONTACT DEPARTMENT OF

PUBLIC HEALTH, DIVISION OF FOOD, DRUGS AND DAIRIES AT (217) 782-7532
TO OBTAIN A COPY OF THE ILLINOIS FORMULARY.

POST AWARD VENDOR ARRANGEMENTS:

UPON NOTIFICATION OF AWARD AND PRIOR TO THE COMMENCEMENT DATE OF THE CONTRACT, THE SUCCESSFUL RESPONDENT WILL BE EXPECTED TO CONTACT PERSONNEL FROM ALL THE USING AGENCIES IN ORDER TO COORDINATE A CONTRACT PHASE-IN PROGRAM. THE CONTRACTOR WILL BE EXPECTED TO TAKE AN ACTIVE ROLE IN COMMUNICATING THE CONTRACT AND ITS PROVISIONS TO THE USING DEPARTMENTS. HOWEVER, SUCH COMMUNICATION WILL BE COORDINATED WITH AND IN ACCORDANCE WITH GUIDELINES ESTABLISHED BY THE DEPARTMENT OF CENTRAL MANAGEMENT SERVICES' BUREAU OF STRATEGIC SOURCING.

CONFIDENTIALITY:

THE CONTRACTOR AGREES THAT NEITHER CONTRACTOR NOR ANY STAFF IN ITS EMPLOY WILL DIVULGE OR RELEASE ANY DATA OR INFORMATION DEVELOPED OR OBTAINED IN CONNECTION WITH THE PERFORMANCE OF THIS CONTRACT UNLESS AUTHORIZED TO DO SO IN WRITING BY THE STATE.

THE CONTRACTOR AGREES THAT ALL RECORDS AND OTHER INFORMATION MAINTAINED BY THE CONTRACTOR ABOUT PERSONS RECEIVING BENEFITS UNDER THIS CONTRACT ARE CONFIDENTIAL AND SHALL BE PROTECTED BY THE CONTRACTOR FROM UNAUTHORIZED DISCLOSURE.

VENDOR COMPLIANCE:

VENDOR COMPLIANCE TO ALL CONTRACT REQUIREMENTS WILL BE MONITORED. A "COMPLAINT TO VENDOR" FORM WILL BE FILED WITH DEPT. OF CENTRAL MANAGEMENT SERVICES AND THE VENDOR WHEN AN INFRACTION OCCURS. FAILURE TO IMMEDIATELY RESOLVE THE COMPLAINT MAY CAUSE CONTRACT CANCELLATION.

SPECIAL PRICING INSTRUCTIONS:

1. PRICING FOR NON 340B ELIGIBLE ENTITIES:

ITEMS PURCHASED BY THE STATE WILL BE INVOICED AT THE PRICING STRUCTURE ESTABLISHED BY IFB AND RESULTING CONTRACT LINE ITEM ONE ON THE PRICE SHEET. THE VENDOR'S WHOLESALE ACQUISITION COST (WAC) MUST BE MADE AVAILABLE VIA INTERNET SITE. THE VENDOR MUST GIVE THE STATE'S USING AGENCIES, AT NO ADDITIONAL COST TO THE STATE, INTERNET ACCESS TO THIS PRICING, WHEN VIEWING THE INTERNET SITE, THE STATE WILL BE ABLE TO SELECT THE MANUFACTURERS AND PRODUCTS NEEDED AT THE AGREED UPON PURCHASE PRICE AS ENUMERATED IN THIS CONTRACT. AFTER ORDERING, THE CONTRACT VENDOR SHALL NOT SUBSTITUTE MANUFACTURERS OR PRODUCTS WITHOUT AGENCY APPROVAL.

2. PRICING FOR 340B ELIGIBLE ENTITIES:

UNDER THE CONTRACT PHARMACY SERVICES AGREEMENT GUIDELINES IN THE VETERAN'S HEALTH CARE ACT OF 1992, 42 U.S.C.A. 256(A)4(C), THE ILLINOIS DEPARTMENT OF PUBLIC HEALTH (IDPH) IS DETERMINED TO BE A "COVERED ENTITY" FOR PUBLIC HEALTH SERVICE (PHS) PRICING. THIS ENTITLES THE ILLINOIS DEPARTMENT OF PUBLIC HEALTH TO PRICES NO HIGHER THAN CALCULATED UNDER THE MEDICAID ACT, AT U.S.C.A. 1396R-8(C) (1) AND THE "BEST PRICE" DEFINITION AT 42 U.S.C.A. 1396R-8 (C) (1) (C). UNDER THIS FORM OF AGREEMENT, THE SUCCESSFUL VENDOR (WHOLESALE) MAY NEGOTIATE WITH THE MANUFACTURERS FOR PRICES LOWER THAN THE AVERAGE PHS PRICE. ITEMS PURCHASED BY THESE ELIGIBLE ENTITIES WILL BE INVOICED AT THE PRICING STRUCTURE ESTABLISHED BY IFB AND RESULTING CONTRACT LINE ITEM TWO ON THE PRICE SHEET.

THE AIDS DRUG ASSISTANCE PROGRAM (ADAP) OF THE ILLINOIS DEPARTMENT OF PUBLIC HEALTH HAS NEGOTIATED ADAP CRISIS TASK FORCE AGREEMENTS WITH NATIONAL MANUFACTURERS FOR DISCOUNTED PRICING ON CERTAIN DRUGS. THE CONTRACTOR MUST HONOR THOSE DISCOUNTED PRICE POINTS IF THEY ARE LOWER THAN CONTRACT PRICING.

APPROXIMATELY 95% OF THE DRUGS PURCHASED FOR AIDS DRUG ASSISTANCE PROGRAM (ADAP) ARE IN CATEGORY 1 - ANTIRETROVIRALS: PROTEASE INHIBITORS, REVERSE TRANSCRIPTASE INHIBITORS AND NON-NUCLEOSIDE REVERSE TRANSCRIPTASE INHIBITORS. (SEE ATTACHMENT FOR ADAP DRUG FORMULARY.)

3. SPECIAL COSTS/FEEES: THE SUCCESSFUL BIDDER WILL NOT ADD ANY SPECIAL FEES OR SPECIAL COSTS TO THE AGENCIES AND/OR ORDERS.

CONTRACT NO: 4017055
K27037 : MANDATORY CONTRACT REQUIREMENTS:

- A. INVENTORY: THE CONTRACTED VENDOR SHALL BE CAPABLE OF PROVIDING NO LESS THAN A 4-WEEK SUPPLY OF ALL MEDICATIONS INCLUDED ON THE STATE'S FORMULARY AT ALL TIMES. FULFILLMENT AND DELIVERY OF ORDERS SHALL BE IN CONFORMANCE WITH ALL OTHER REQUIREMENTS AS STATED WITHIN THIS SOLICITATION.
THIS REQUIREMENT WILL NOT APPLY TO MANUFACTURER BACKORDERS AND RECALLED PRODUCTS. TO HELP MEET INVENTORY REQUIREMENTS, THE STATE SHALL PROVIDE HISTORICAL USAGE REPORTS TO THE CONTRACTOR.
- B. INTERNET ORDERING SITE: THE CONTRACTOR MUST PROVIDE AND MAINTAIN A SECURE INTERNET ORDERING SITE THAT IS AVAILABLE TO THE STATE AT NO ADDITIONAL CHARGE. THE INTERNET ORDERING SITE SHALL:
1. DISCLOSE ON-HAND INVENTORIES AND AVAILABLE QUANTITIES OF DRUGS;
 2. DISCLOSE STATE CONTRACT PRICING, WHOLESAL ACQUISITION COST (WAC), AND THE FOLLOWING AS PUBLISHED: AVERAGE WHOLESAL (AWP) PRICE, AVERAGE MANUFACTURER'S (AMP) PRICE, PUBLIC HEALTH SERVICE (PHS) PRICE AND GROUP PURCHASING ORGANIZATION (GPO) PRICE OFFERINGS;
 3. USE CODING TO INDICATE UNAVAILABLE PRODUCTS, PREFERRED PRODUCTS AND CONTRACT PRODUCTS;
 4. BE CAPABLE OF ALLOWING INTERNET ONLINE DRUG ORDERING, REORDERING AND TRACKING BY CLASS;
 5. ALLOW SEARCHES FOR PRODUCTS BY: KEYWORD, ITEM NUMBER, DESCRIPTION, GENERIC NAME, NATIONAL DRUG CODE (NDC), AND UNIVERSAL PRODUCT CODE (UPC).
 6. BE CAPABLE OF RECEIVING AUTOMATED MESSAGES FOR REORDERS VIA ELECTRONIC CONNECTIVITY WITH AUTOMATED REPACKAGING MACHINES;
 7. PROVIDE REGULAR UPDATES OF CHANGES TO DRUG PRICES;
 8. ALLOW THE DOWNLOADING OF REPORTS SHOWING THE STATE'S PURCHASE HISTORY OF DRUGS OVER THE PREVIOUS MONTH, QUARTER, SIX MONTHS AND YEAR. REPORTS SHALL INCLUDE THE ITEM NUMBER, NATIONAL DRUG CODE (NDC) NUMBER FOR SINGLE-SOURCE DRUGS AND GENERIC DRUG NAME AND STRENGTH FOR MULTI-SOURCE DRUGS, PRICING, QUANTITIES ORDERED, PACK SIZES AND THE TOTAL AMOUNTS OF ORDERS;
 9. DISPLAY GENERIC ALTERNATIVES TO BRAND NAME DRUGS AND PHARMACEUTICALS;
 10. BE CAPABLE OF PRODUCING ELECTRONIC PURCHASE SCHEDULE REVIEW AND ELECTRONIC CONFIRMATION OF ORDERS PLACED;
 11. BE CAPABLE OF REPORTING THE STATE'S RECORDS OF PURCHASES SEPARATELY BY AGENCY AND AGENCY SECTION;
 12. BE CAPABLE OF BILLING AND INVOICING PURCHASES SEPARATELY BY AGENCY AND AGENCY SECTION;
 13. INCLUDE ACCESS PASSCODES THAT SHALL BE AVAILABLE TO THE STATE AGENCY PERSONNEL.
- C. RECORDS: THE CONTRACTED VENDOR MUST MAINTAIN RECORDS AS REQUIRED BY THE PHARMACY PRACTICE ACT OF 1987, 225 ILCS 85, THE RULES AND REGULATIONS PROMULGATED FOR THE ADMINISTRATION OF THE ILLINOIS PHARMACY ACT, 68 ILLINOIS ADMINISTRATIVE CODE 1130 AND THE ILLINOIS CONTROLLED SUBSTANCE ACT (RULES), 77 ILLINOIS ADMINISTRATIVE CODE 3100.
- D. CHARGE-BACKS, REBATES AND DISCOUNTS: THE CONTRACTOR SHALL BE RESPONSIBLE FOR REQUESTING CHARGE-BACKS, REBATES, DISCOUNTS AND SPECIAL PRICING FROM PHARMACEUTICAL MANUFACTURERS.
- E. MULTIPLE ORDER FORMATS: THE CONTRACTOR SHALL BE CAPABLE OF ACCEPTING MULTIPLE ORDER FORMATS FROM THE STATE OF ILLINOIS. THESE FORMATS SHALL INCLUDE, BUT NOT BE LIMITED TO: STANDARD PURCHASE ORDERS, BLANKET (CONTINUOUS) PURCHASE ORDERS, DEPARTMENT PURCHASE ORDERS, ELECTRONICALLY TRANSMITTED PURCHASE ORDERS, INCLUDING THOSE PLACED THROUGH AN ON-LINE ORDERING SYSTEM.
- F. LICENSING: THE CONTRACTOR MUST BE A LICENSED PHARMACEUTICAL WHOLESALER/DISTRIBUTOR.
- G. DEA/FDA COMPLIANCE: THE CONTRACTOR MUST BE COMPLIANT WITH DRUG ENFORCEMENT AGENCY (DEA) AND FEDERAL DRUG ADMINISTRATION (FDA) GUIDELINES.
- H. 2-DAY DELIVERIES: DELIVERIES MUST BE MADE WITHIN TWO (2) WORKING DAYS OF RECEIPT OF ORDER IF PLACED BY 4:00 PM CENTRAL STANDARD

TIME (CST). IF DELIVERY CANNOT BE MADE WITHIN TWO DAYS, THE STATE RESERVES THE RIGHT TO CANCEL ORDERS AND OBTAIN SAID PRODUCTS FROM ALTERNATIVE SOURCES.

- I. PRICING: PRICING FOR 340B ELIGIBLE ENTITIES CAN BE NO HIGHER THAN PUBLIC HEALTH SERVICE PRICING. PRICING FOR NON-340B ENTITIES WILL BE BASED ON THE VENDOR'S WHOLESALE ACQUISITION COST LESS A PERCENTAGE DISCOUNT.
- J. BULK ORDERS: BULK ORDERS (GENERALLY 1,000 + TABLETS) OF INDIVIDUAL DRUGS MUST BE FILLED FROM THE SAME LOT AND MUST HAVE AN EXPIRATION DATE OF A MINIMUM OF TWO YEARS.
- K. ALL OTHER DRUGS SHIPPED MUST HAVE A MINIMUM EXPIRATION DATE OF 12 MONTHS FROM DATE OF ORDER.
- L. REPACKING: REPACKING OF DRUG AND PHARMACEUTICAL PRODUCTS MUST BE PERFORMED ACCORDING TO STANDARD MANUFACTURING PRACTICES.
- M. GROUP PURCHASING ORGANIZATION (GPO): CONTRACTOR MUST ALLOW STATE AGENCIES TO ENROLL IN AND PARTICIPATE IN PRICING WITH MULTIPLE GPO'S. CONTRACTOR MUST OFFER THE LOWEST PRICE OF ANY OF THE GPO'S THAT MEET AGENCY REQUIREMENTS.
- N. INVENTORY CONTROL SYSTEM: THE CONTRACTOR MUST HAVE BAR CODING CAPABILITY TO FACILITE AN INVENTORY CONTROL SYSTEM OF RECEIVING AND ADMINISTRATION OF MEDICATIONS ON TREATMENT UNITS AS PART OF THE AUTOMATIC REORDER SYSTEM FOR HUB AND STAND-ALONE PHARMACIES.
- O. CONTRACTOR MUST ALLOW CHANGES TO THE STATE'S FORMULARIES DURING THE CONTRACT PERIOD; CONTRACTOR MUST BE ABLE TO MEET THE DEMANDS OF ADDITIONS OF DRUGS IN ANY FORMATION AND DOSAGE.
- P. CONTRACTOR MUST ACCEPT THE RETURN OF EXPIRED DRUGS AND PHARMACEUTICALS. INDICATE WHETHER OR NOT A CREDIT OR PARTIAL CREDIT WILL BE GIVEN FOR THE RETURN OF EXPIRED PRODUCTS.

CONTRACT NO: 4017055
K27043 : DELIVERY LOCATIONS:

THE FOLLOWING LIST IDENTIFIES THE CURRENT DRUG DELIVERY LOCATIONS FOR THE STATE OF ILLINOIS CONTRACT. DURING THE CONTRACT TERM, DELIVERY LOCATIONS MAY NEED TO BE ADJUSTED, ADDED OR DISCONTINUED ACCORDING TO CHANGING PROGRAM REQUIREMENTS. CONTRACTOR SHALL MAKE ALL DELIVERY ADJUSTMENTS WITH NO ADDITIONAL CHARGE TO THE STATE.

THE MAJORITY OF DRUGS AND PHARMACEUTICALS PURCHASED BY THE ILLINOIS DEPARTMENT OF HUMAN SERVICES (DHS) WILL BE DELIVERED TO:

ILLINOIS DEPARTMENT OF HUMAN SERVICES
BUREAU OF PHARMACY AND CLINICAL SUPPORT SURVICES
401 NORTH 4TH STREET, 1ST FLOOR
SPRINGFIELD, IL 62702

THE REMAINDER OF DHS PURCHASES SHALL BE DELIVERED DIRECTLY TO FACILITY PHARMACIES LOCATED IN THE FOLLOWING ILLINOIS CITIES: ALTON, ANNA, CENTRALIA, CHESTER, CHICAGO, DIXON, DWIGHT, ELGIN, HINES, JACKSONVILLE, KANKAKEE, ROCKFORD, SPRINGFIELD, TINLEY PARK AND WAUKEGAN.

THE ILLINOIS DEPARTMENT OF PUBLIC HEALTH REQUIRES THAT PURCHASES BE DELIVERED TO THE FOLLOWING LOCATIONS:

SEXUALLY TRANSMITTED DISEASE (STD) SECTION AND TUBERCULOSIS (TB) SECTION
IMMUNIZATION PROMOTION CENTER WAREHOUSE
2840 VIA VERDE
SPRINGFIELD, IL 62703

HIV/AIDS SECTION (ADAP):
ALL DRUGS MUST BE DELIVERED TO A SINGLE CONTRACTED DISPENSING PHARMACY AT NO ADDITIONAL COST TO THE STATE FOR SHIPPING AND HANDLING.

VENDOR NAME AND ADDRESS

CARDINAL HEALTH INC
DBA CARDINAL HEALTH 110 LLC
7000 CARDINAL PLACE
DUBLIN, OH 43017-1091

PRIME VENDOR: N
CONTRACT BEGIN DATE: 10/01/11

CONTACT NAME: DAN HARTL
CONTACT PHONE: (217) 971-4458
CONTACT E-MAIL: DAN.HARTL@CARDINALHEALTH.COM

CONTRACT NO: 4017055
PYMT TERMS: 5.50% 30 NET 31
DELIVERY: 30 DAYS ARO
VENDOR NO:
BUSINESS CLASS CODE: NNLEN
LEGAL STATUS: CORPORATION
CONTRACT END DATE: 09/30/20

CONTACT FAX: (630) 236-2800

CONTRACT ITEMS/SERVICES
BY LINE ITEM

T NUMBER: T2410
PAGE NO.: 00006

LINE#	DESCRIPTION/MFGR/BRAND	QUANTITY FROM/TO	UNIT	DISCOUNT	UNIT PRICE
00001	COMMODITY CODE: 2834-270-4559 DRUGS & PHARMACEUTICALS FOR: IL DEPARTMENT OF HUMAN SERVICES, A STATE AGENCY THAT IS NOT ELIGIBLE FOR 340B PRICING	1.000	LOT	4.97%	N/A

THE STATE IS REQUIRING A PERCENTAGE
DISCOUNT LOWER THAN MANUFACTURER'S
WHOLESALE ACQUISTION COST (WAC).

VENDOR: CARDINAL HEALTH INC
: DBA CARDINAL HEALTH 110 LLC
CONTRACT NO: 4017055

00002	COMMODITY CODE: 2834-270-4560 DRUGS & PHARMACEUTICALS FOR: IL DEPARTMENT OF PUBLIC HEALTH ADAP, STD AND TB SECTIONS, AS PROVIDED IN THE VETERANS'S HEALTH CARE ACT OF 1992, SECTION 340B.	1.000	LOT	4.97%	N/A
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THE STATE IS REQUIRING A PERCENTAGE
DISCOUNT LOWER THAN THE AVERAGE PUBLIC
HEALTH SERVICE (PHS) PRICE.

VENDOR: CARDINAL HEALTH INC
: DBA CARDINAL HEALTH 110 LLC
CONTRACT NO: 4017055