NOTICE OF AWARD OF CONTRACT

TO: DIAMOND DRUGS, INC.
   DBA/ DIAMOND PHARMACY SERVICES
   645 KOLTIER DRIVE
   INDIANA, PA 15701-3570

DATE ISSUED: OCTOBER 28, 2010
CURRENT REFERENCE NO: 440-10
CONTRACT TITLE: SHERIFF - JAIL
                   PHARMACY SERVICES
PRIOR REFERENCE NO: 372-09

THIS IS A NOTICE OF AWARD OF CONTRACT AND NOT AN ORDER. NO WORK IS AUTHORIZED UNTIL THE VENDOR RECEIVES A VALID COUNTY PURCHASE ORDER ENCUMBERING CONTRACT FUNDS.

Your firm is awarded the above referenced contract. The contract term covered by this Notice of Award is effective NOVEMBER 1, 2010 and expires on OCTOBER 31, 2011.

This is the FINAL year award notice of a FIVE year contract.

The contract documents consist of the terms and conditions of Agreement No. 223-06, including any exhibits, attached or amendments thereto.

CONTRACT PRICING:

PRICING FOR THE FINAL RENEWAL TERM REMAINS THE SAME AS THE PREVIOUS TERM.

ATTACHMENTS:

1) AMENDMENT NOS. 2 & 3
2) AGREEMENT NO. 223-06

EMPLOYEES NOT TO BENEFIT:

NO COUNTY EMPLOYEE SHALL RECEIVE ANY SHARE OR BENEFIT OF THIS CONTRACT NOT AVAILABLE TO THE GENERAL PUBLIC.

VENDOR CONTACT: MARK ZILNER, R.PH.
VENDOR TEL. NO.: 800-882-6327
VENDOR PAYMENT TERMS: NET 30 DAYS
VENDOR FAX. NO.: 724-349-2604
TAX IDENTIFICATION NUMBER (EIN/SSN): 25-1378276
EMAIL ADDRESS: mzilner@diamondpharmacy.com

COUNTY CONTACT: TERESA NGUYEN
COUNTY TEL. NO.: 703-228-7263

CONTRACT AUTHORIZATION

Pamela Hayes
Assistant Purchasing Agent

DATE: 10/28/10

DISTRIBUTION

VENDOR: 1
BID FOLDER: 2
ARLINGTON COUNTY, VIRGINIA
AGREEMENT NO. 223-06
AMENDMENT NUMBER 3

REFERENCE NUMBER 460-10

This Amendment Number 3 (Amendment) is made on the date of execution of the Agreement by the County and amends Agreement Number 223-06 as amended by Amendment Nos. 1 & 2 (Main Agreement) and made between Diamond Drugs, Inc., dba Diamond Pharmacy Services, 645 Kolter Drive, Indiana, PA 15701-3570 (Contractor) and the Sheriff of Arlington County, Virginia (Sheriff).

Whereas the Sheriff and the Contractor desire to extend the Contract Term and amend the amounts to be paid under the Main Agreement, the Contractor and the County, in consideration of the promises and other good and valuable consideration specified in this Amendment, amend the Main Agreement as follows.

CHANGE THE "CONTRACT TERM" PARAGRAPH TO READ AS FOLLOWS:

CONTRACT TERM
The Contract Term under this Agreement shall continue until October 31, 2011. No extension options remain. No work shall be deemed complete until it is accepted by the Project Officer.

CONTRACT PRICING REMAINS THE SAME FOR THIS EXTENSION TERM AS THE PREVIOUS TERM.

Terms and Conditions
The work and payment called for under this Amendment shall be subject to all terms and conditions of the Agreement. All terms and conditions of the Agreement shall remain in full force and effect for the work covered by this Amendment unless specifically changed by the terms and conditions of this Amendment.

WITNESS these signatures:

THE SHERIFF OF ARLINGTON COUNTY, VIRGINIA

AUTHORIZED SIGNATURE: [Signature]
NAME AND TITLE: ELIZABETH ARTHUR SHERIFF
DATE: 10-21-10

DIAMOND PHARMACY SERVICES

AUTHORIZED SIGNATURE: [Signature]
NAME AND TITLE: MARK J. ZIBEL, Director of Operations
DATE: 10-19-10
ARLINGTON COUNTY, VIRGINIA
AGREEMENT NO. 223-06
AMENDMENT NUMBER 2.
REFERENCE NUMBER 372-09

This Amendment Number (Amendment) is made on the date of execution of the Amendment by the County and amends Agreement Number 223-06 as amended by Amendment No. 1 (Main Agreement) and made between Diamond Drugs, Inc., dba Diamond Pharmacy Services, 645 Kolter Drive, Indiana, PA 15701-3570 (Contractor) and the Sheriff of Arlington County, Virginia (Sheriff).

Whereas the Sheriff and the Contractor desire to extend the Contract Term and amend the amounts to be paid under the Main Agreement, the Contractor and the County, in consideration of the promises and other good and valuable consideration specified in this Amendment, amend the Main Agreement as follows.

CHANGE THE "CONTRACT TERM" PARAGRAPH TO READ AS FOLLOWS:

CONTRACT TERM
The Contract Term under this Agreement shall continue until October 31, 2010 with one (1) one-year extension option at the sole discretion of the Sheriff. No Work shall be deemed complete until it is accepted by the Project Officer.

CONTRACT PRICING REMAINS THE SAME FOR THIS EXTENSION TERM AS THE PREVIOUS TERM.

Terms and Conditions
The work and payment called for under this Amendment shall be subject to all terms and conditions of the Agreement. All terms and conditions of the Agreement shall remain in full force and effect for the work covered by this Amendment unless specifically changed by the terms and conditions of this Amendment.

WITNESS these signatures:

THE SHERIFF OF ARLINGTON COUNTY, VIRGINIA

AUTHORIZED SIGNATURE: [Signature]
NAME AND TITLE: ELIZABETH ARTHUR SHERIFF
DATE: 10/26/09

DIAMOND PHARMACY SERVICES

AUTHORIZED SIGNATURE: [Signature]
NAME AND TITLE: MARK J. ZILINSKI, DIRECTOR OF OPERATIONS
DATE: 10/23/09

372-09 Amendment Number 2
THIS AGREEMENT (also known herein as "Contract") is made, on the date of execution by the Sheriff, between Diamond Drugs, Inc., dba Diamond Pharmacy Services, 645 Kolter Drive, Indiana, PA 15701-3570, a Pennsylvania corporation authorized to do business in the Commonwealth of Virginia and licensed to provide the services required hereunder, and the Sheriff of Arlington County, Virginia (Sheriff). The Sheriff and the Contractor, for the consideration hereinafter specified, agree as follows:

CONTRACT DOCUMENTS
The Contract Documents consist of this Agreement and Exhibit A (Scope of Work), including Appendix 1 (Pricing). Where the terms and provisions of this Agreement vary from the terms and provisions of the other Contract Documents, the terms and provisions of this Agreement shall prevail over the other Contract Documents.

The Contract Documents set forth the entire Agreement between the Sheriff and the Contractor. The Sheriff and the Contractor agree that no representative or agent of either of them has made any representation or promise with respect to this Agreement which is not contained in the Contract Documents, and that all terms and conditions with respect to this Agreement are expressly contained herein. The Contract Documents shall constitute the Contract.

SCOPE OF WORK
The Contractor agrees to perform the services described in the Contract Documents (alternatively, the "Work"). The primary purpose of the Work is to provide prescription and Over-The-Counter medications and other related services, to inmates of the Arlington County Detention Facility (ACDF), and all other work shown, described and required in the Contract Documents (alternatively, the "Work").

The Work shall be performed according to the standards established by the terms and specifications of Exhibit A. It shall be the obligation of the Contractor to obtain clarification from the Project Officer concerning any questions about or conflicts in the specifications. The Contract Documents set forth the minimum Work estimated by the Sheriff and the Contractor to be necessary to complete the Work. It shall be the Contractor's responsibility to provide the specific services set forth in the Contract Documents and sufficient services to fulfill the purposes of the Work. Nothing in the Contract Documents shall be construed to limit the Contractor's responsibility to manage the details and execution of its Work.

PROJECT OFFICER
The performance of the Contractor required by this Agreement is subject to the review and approval of a Project Officer who is the Support Services Administrator appointed by the Sheriff. However, it shall be the responsibility of the Contractor to manage the details of the execution and performance of its Work under this Contract.
CONTRACT TERM
The Contract Term under this Agreement shall commence upon the execution of this Agreement by the Sheriff and end on November 1, 2007 (Initial Contract Term) with four (4) one-year extension options at the sole discretion of the Sheriff. Contractor may decline an extension or renewal of this Agreement but only upon the specified days written notice to the Sheriff as set forth in the TERMINATION clause herein. No Work shall be deemed complete until it is accepted by the Project Officer.

CONTRACT AMOUNT
The Sheriff will pay the Contractor for medications and pharmaceutical supplies according to the Pricing Terms detailed in Exhibit A and Appendix 1. The Sheriff will pay for the Contractor's completion of the Work described and required in the Contract Documents subject to the terms and conditions in those documents and provided the Work is performed to the satisfaction of and is accepted by the Project Officer. The Contract Amount is subject to modifications due to fluctuations of arrestee/inmate population as set forth in Exhibit A. The Contractor agrees that it shall complete the Work for the total Contract Amount specified in this section unless such amount is modified as provided in this Agreement. The Contract Amount includes all of Contractor's costs and fees (profit).

PAYMENT TERMS
Payment terms will be recorded by the Sheriff as Net thirty (30) days. The Sheriff will pay the Contractor within thirty (30) days after the date of receipt of a correct (as determined by the Project Officer) invoice approved by the Project Officer describing completed work which is reasonable and allocable to the Contract, or the date of receipt of the entire order, or the date of acceptance of the work which meets the Contract requirements, whichever is later. Payments will be made by the Sheriff for goods or services furnished, delivered, inspected, and accepted upon receipt of invoices submitted on the date of shipment or delivery of service, subject to applicable payment terms. The number of the Purchase Order by which authority shipments have been made or services performed shall appear on all invoices. Invoices shall be submitted in duplicate. Unless otherwise specified herein, payment shall not be made prior to delivery and acceptance of the entire order by the Sheriff.

CONTRACT EXTENSION WITH PRICE ADJUSTMENTS
The contract monthly Management Fee of $7.35 per inmate shall be firm for the Initial Contract Term. At least forty (40) calendar days before the expiration date of the Initial Contract Term, the Sheriff will evaluate the experience in using the monthly Management Fee and, if deemed for the best interest of the Sheriff, change the pricing method to a Per Prescription Fee of $3.40. The monthly Management Fee and/or Per Prescription Fee for each for each ensuing Contract year, if the Sheriff elects to extend the Contract, shall be negotiated by the Sheriff and the Contractor. Increases in the fee(s) for ensuing years shall not exceed the percentage of change in the in the U.S. Department of Labor, Consumer Price Index for Medical Care, Urban Areas, unadjusted for the twelve month period ending in the month of September of the then current contract year.

If the Contractor and the Sheriff do not agree on a fee using the procedure set forth above by the thirtieth (30th) day prior to the end of the Initial
Contract Term or the end of ensuing renewal term or terms, the Sheriff will terminate the Contract whether or not the Sheriff has previously elected to extend the term. The Contract fee(s) changed as a result of this procedure shall become effective on the anniversary date of the Contract and shall be binding on the Contractor for the ensuing renewal term or terms.

ARLINGTON COUNTY BUSINESS LICENSES
The Contractor must comply with the provisions of Chapter 11 (Business Licenses) of the Arlington County Code.

NON-DISCRIMINATION NOTICE
Arlington County does not discriminate against faith-based organizations.

ADJUSTMENTS FOR CHANGE IN SCOPE
The Sheriff may order changes in the work within the general scope of the work consisting of additions, deletions or other revisions. No claim may be made by the Contractor that the scope of the project or of the Contractor's services has been changed requiring adjustments to the amount of compensation due the Contractor unless such adjustments have been made by a written amendment to the Contract signed by the Sheriff and the Contractor. If the Contractor believes that any particular work is not within the scope of the project or is a material change or otherwise will call for more compensation to the Contractor, the Contractor must immediately notify the Project Officer in writing of this belief. Within ten (10) working days after any change or event which the Contractor believes calls for more compensation, the Contractor must provide to the Project Officer a written notice, which sets forth the change in scope which will impact on additional compensation requested. Within thirty (30) days of the written notification, the Contractor must provide to the Project Officer a proposal which sets forth the amount of additional compensation claimed, together with the basis therefore and supportive documentation for the amount.

The Contractor will not be compensated for performing any work unless a proposal complying with this paragraph has been submitted in the time specified above and a written amendment has been signed by the Sheriff and the Contractor and a County purchase order is issued covering the cost of the services to be provided under the amendment. If the Project Officer believes that the work is within the scope of the Contract as written, the Contractor will be ordered to continue work, subject to Contractor's right to terminate the Contract as set forth below.

TERMINATION FOR DEFAULT
The Contract will remain in force for the full period specified and until the Sheriff determines that all requirements and conditions have been satisfactorily met and the Sheriff has accepted the Work, and thereafter until the Contractor has met all requirements and conditions relating to the Work under the Contract Documents following the Initial Contract Term and all Subsequent Contract Terms, including warranty and guarantee periods. However, the Sheriff will have the right to terminate this Contract sooner if the Contractor has failed to perform satisfactorily the Work required, as determined by the Sheriff in its discretion.

In the event the Sheriff decides to terminate this Contract for failure to perform satisfactorily, the Sheriff will give the Contractor at least ninety (90) days written notice before the termination takes effect. Such ninety
(90) day period will begin upon the mailing of notice by the Sheriff. If the Contractor fails to cure the default within the ninety (90) days specified in the notice and the Contract is terminated for the Contractor's failure to provide satisfactory Contract performance, the Contractor will be entitled to receive compensation for all Contract services satisfactorily performed by the Contractor and allocable to the Contract and accepted by the Sheriff prior to such termination. However, an amount equal to all additional costs required to be expended by the Sheriff to complete the Work covered by the Contract, including costs of delay in completing the project, shall be either subtracted from any amount due the Contractor or charged to the Contractor in the event the Sheriff terminates the Contract.

Except as otherwise directed by the Sheriff, or in the case of termination for default (in which event the Contractor may be entitled to cure, at the option of the Sheriff), the Contractor shall stop Work on the date specified in the notice, place no further orders or subcontracts for materials, services, or facilities except as are necessary for the completion of such portion of the Work not terminated, and terminate all vendors and subcontracts and settle all outstanding liabilities and claims. The Contractor shall fill all prescriptions submitted to the Contractor prior to the date specified in the notice and transmit all records of active prescriptions to the Sheriff.

In the event any termination for default shall be found to be improper or invalid by any court of competent jurisdiction, then such termination shall be deemed to have been a termination for convenience.

TERMINATION FOR THE CONVENIENCE OF THE SHERIFF
The performance of work under this Contract may be terminated by the Purchasing Agent in whole or in part whenever the Purchasing Agent shall determine that such termination is in the Sheriff's best interest.

Any such termination shall be effected by the delivery to the Contractor of a written notice of termination at least fifteen (15) days before the date of termination, specifying the extent to which performance of the work under this Contract is terminated and the date upon which such termination becomes effective.

After receipt of a notice of termination and except as otherwise directed the Contractor shall stop all work on the date specified in the notice; place no further orders or subcontracts for materials, services or facilities except as are necessary for the completion of such portion of the work not terminated; immediately transfer all documentation and paperwork for terminated work to the Sheriff; and terminate all vendors and subcontracts and settle all outstanding liabilities and claims.

SHERIFF AND COUNTY EMPLOYEES
No employee of Arlington County, Virginia shall be admitted to any share or part of this Contract or to any benefit that may arise therefrom which is not available to the general public.

EMPLOYMENT DISCRIMINATION BY CONTRACTOR PROHIBITED
During the performance of this contract, the Contractor agrees as follows:
1. The Contractor shall not discriminate against any employee or applicant for employment because of race, religion, color, sex, sexual orientation, national origin, age, disability or any other basis prohibited by state law related to discrimination in employment except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the Contractor. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

2. The Contractor, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, shall state that such Contractor is an Equal Opportunity Employer.

3. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting the requirements of this section.

4. The Contractor shall comply with the provisions of the Americans with Disabilities Act of 1990 which prohibits discrimination against individuals with disabilities in employment and mandates their full participation in both publicly and privately provided services and activities.

5. The Contractor shall include the provisions of the foregoing paragraphs in every subcontract or purchase order of over $10,000, so that the provisions will be binding upon each subcontractor or vendor.

**DRUG-FREE WORKPLACE TO BE MAINTAINED BY CONTRACTOR**

During the performance of this contract, the Contractor agrees to (i) provide a drug-free workplace for the Contractor's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the Contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the Contractor that the Contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of over $10,000, so that the provisions will be binding upon each subcontractor or vendor.

For the purposes of this section, "drug-free workplace" means a site for the performance of work done in connection with a specific contract awarded to a Contractor in accordance with the Arlington County Resolution, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the contract.

**INDEMNIFICATION**

The Contractor covenants to save, defend, hold harmless, and indemnify the Sheriff and Arlington County, and all of its elected and appointed officials, officers, employees, agents, departments, agencies, boards, and commissions (collectively the "Sheriff" and the "County") from and against any and all claims, losses, damages, injuries, fines, penalties, costs (including court costs and attorney's fees), charges, liability, or exposure, however caused,
resulting from, arising out of, or in any way connected with the Contractor's intentional, negligent, or grossly negligent acts or omissions in performance or nonperformance of its work called for by the Contract Documents. This indemnification shall survive the termination of this Contract.

COUNTY PURCHASE ORDER REQUIREMENT
County and Sheriff’s purchases of goods over $5,000.00 per transaction and purchases of services over $500 per transaction are authorized only if a County Purchase Order is issued in advance of the transaction, indicating that the ordering agency has sufficient funds available to pay for the purchase. A purchase order will be issued for any purchase if the vendor requires a purchase order for its records. The County and the Sheriff will not be liable for payment for any purchases of goods over $5,000 per transaction or purchases of services over $500 per transaction made by its employees without appropriate purchase authorization issued by the County Purchasing Agent. Contractors providing goods or services without a signed County Purchase Order do so at their own risk and must satisfy themselves that the ordering person or agency is authorized to purchase goods or services in the name of the County or Sheriff. Please direct questions regarding this requirement to the County Procurement Officers at 703-228-3410.

FAILURE TO DELIVER
In case of failure to deliver goods or services in accordance with the Contract terms and conditions, the Sheriff, after due oral or written notice, may procure the goods or services from other sources and hold the Contractor responsible for any resulting additional purchase and administrative costs; provided, that if public necessity requires the use of materials or supplies not conforming to the specifications, they may be accepted and payment therefore shall be made at a reduction in price to be determined solely by the Sheriff. This remedy shall be in addition to any other remedies, which the Sheriff may have. The Sheriff shall be entitled to offset such costs against any sums owed by the Sheriff to the Contractor.

ETHICS IN PUBLIC CONTRACTING
This Contract incorporates by reference Article 9 of the Arlington County, Virginia, Purchasing Resolution, as well as any state or federal law related to ethics, conflicts of interest, or bribery, including by way of illustration and not limitation, the Virginia State and Local Government Conflict of Interests Act, the Virginia Governmental Frauds Act, and Articles 2 and 3 of Chapter 10 of Title 18.2 of the Virginia Code, as amended. The Contractor certifies that its offer is made without collusion or fraud and that it has not offered or received any kickbacks or inducements from any other offeror, supplier, manufacturer, or subcontractor and that it has not conferred on any public employee having official responsibility for this purchase any payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised unless consideration of substantially equal or greater value was exchanged.

LIABILITY
The Contractor shall not be held responsible for failure to perform the duties and responsibilities imposed by this Contract if such failure is due to strikes, fires, riots, rebellions, or Force Majeure, beyond the control of the Contractor, that make performance impossible or illegal, unless otherwise specified in the Contract.
The Sheriff shall not be held responsible for failure to perform the duties and responsibilities imposed by the Contract if such failure is due to strikes, fires, riots, rebellions, or Force Majeure, beyond the control of the Sheriff, that make performance impossible or illegal, unless otherwise specified in the Contract.

ASSIGNMENT

The Contractor shall not assign, transfer, convey, sublet, or otherwise dispose of any award, or any or all of its rights, obligations, or interests under this Contract, without the prior written consent of the Sheriff.

APPLICABLE LAW

This Contract and the work performed hereunder shall be governed in all respects by the laws of the Commonwealth of Virginia and the venue for any litigation with respect thereto shall be in the Circuit Court for Arlington County, Virginia.

In performing the Work under this Contract, the Contractor shall comply with applicable federal, state, and local laws, ordinances and regulations. The Contractor shall further strictly comply with all ordinances, laws including regulations of relevant health regulatory boards, including, but not limited to, those promulgated by the Virginia Board of Pharmacy, Virginia Department of Health Professionals, the Virginia Department of Corrections as well as the policies and procedures of the American Correctional Association, the National Commission on Correctional Health Care and the Virginia Department of Corrections standards for pharmacy operations.

The Contractor shall further strictly comply with all applicable laws, ordinances and regulations governing pharmacy operations and services in the Commonwealth of Pennsylvania. To the extent that the laws, ordinances and/or regulations of the commonwealths of Pennsylvania and Virginia conflict, the Contractor shall comply with the stricter law, ordinance and/or regulation.

LICENSES, PERMITS, REGISTRATION

Prior to commencing work under this Contract, the Contractor shall secure and maintain in good and active standing throughout the Contract Term, at its sole expense, all applicable licenses, permits and registrations in or required by the Commonwealth of Virginia and its law, ordinances, regulations and health regulatory boards, including but not limited to the Board of Pharmacy.

STANDARD OF CARE

The Contractor shall provide competent, appropriate and medically necessary services and ensure that such work is provided in an appropriate and professional manner. The Contractor and its staff (including employees, contract employees, subcontractors and agents) shall further comply with all applicable standards of care for pharmacy services providers.

IMMIGRATION REFORM AND CONTROL ACT OF 1986

The Contractor certifies that it does not, and will not during the performance of the Contract, employ illegal alien workers or otherwise violate the provisions of the federal Immigration Reform and Control Act of 1986.
ANTITRUST
By entering into this Contract, the Contractor conveys, sells, assigns and transfers to the Sheriff all rights, title, and interest in and to all causes of action the Contractor may now have or hereafter acquire under the antitrust laws of the United States or the Commonwealth of Virginia, relating to the goods or services purchased or acquired by the Sheriff under said Contract.

RELATION TO COUNTY
The Contractor will be legally considered as an independent contractor and neither the Contractor nor its employees will, under any circumstances, be considered employees, servants or agents of the Sheriff. The Sheriff will not be legally responsible for any negligence or other wrongdoing by the Contractor, its employees, servants or agents. The Sheriff will not withhold payments to the Contractor for any federal or state unemployment taxes, federal or state income taxes, Social Security tax, or any other amounts for benefits to the Contractor. Further, the Sheriff will not provide to the Contractor any insurance coverage or other benefits, including Workers' Compensation, normally provided by the Sheriff for its employees.

DELIVERY
All goods are purchased F.O.B. point of delivery in Arlington County. All costs for handling and transportation charges to the designated point of delivery shall be borne by the Contractor. Transportation, handling and all related charges shall be included in the unit prices or discounts bid for each item.

ARLINGTON COUNTY PURCHASING RESOLUTION
The Contract is governed by the applicable provisions of the Arlington County Purchasing Resolution. The time limit for final written decision by the County Manager in the event of a contractual dispute, as that term is defined in the Purchasing Resolution, is fifteen (15) days. Procedures for contractual disputes, administrative appeals, and protests are available upon request from the Office of the Purchasing Agent.

ARBITRATION
It is expressly agreed that nothing under the Contract shall be subject to arbitration, and any references to arbitration are expressly deleted from the Contract.

PATENTS AND ROYALTIES
The Contractor covenants to save, defend, hold harmless, and indemnify the Sheriff and the County, and all of its officers, officials, departments, agencies, agents, and employees (collectively the "County") from and against any and all claims, losses, damages, injuries, fines, penalties, costs (including court costs and attorney's fees), charges, liability, or exposure, however caused, for or on account of any trademark, copyright, patented or unpatented invention, process, or article manufactured or used in the performance of this Contract, including its use by the County.

If the Contractor uses any design, device, or materials covered by letters patent or copyright, it is mutually agreed and understood, without exception, that the Contract price includes all royalties or costs arising from the use of such design, device, or materials in any way involved with the work.

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CONFIDENTIALITY AND RETURN OF RECORDS
The Contractor agrees that all medical records, scripts, inmate prescription services and records, findings, memoranda, correspondence, documents or records of any type, whether written or oral, and all documents generated by or received by the Contractor or its subcontractors as a result of the Sheriff's request for services under this Contract, are confidential records ("Record" or "Records"), and neither the Records nor their contents shall be released by the Contractor, its subcontractors, or other third parties; nor shall their contents be disclosed to any person other than the Project Officer or designee, or except as required by subpoena, court order, or written authorization of the Sheriff, patient or patient's estate as applicable. The Contractor agrees that all oral or written inquiries from any person or entity regarding the status of any Record generated as a result of the existence of this Contract shall be referred to the Project Officer or designee for response prior to any dissemination of the records. At the Sheriff's request, the Contractor shall deliver all Records to the Project Officer, including "hard copies" of computer records, and at the Sheriff's request, shall destroy all computer records created as a result of the Sheriff's request for services under this Contract.

The Contractor agrees to include the provisions of this section as part of any Contract or Agreement the Contractor enters into with subcontractors or other third parties for work related to work pursuant to this Agreement.

The Contractor further agrees to maintain all records in accordance with all applicable laws, codes, regulations and ordinances, including but not limited to the Virginia Drug Control Act and Virginia Board of Pharmacy regulations.

No termination of this Agreement shall have the effect of rescinding, terminating or otherwise invalidating this section. These requirements shall further survive any termination or completion of a Contract Term, or subsequent renewals.

HIPAA COMPLIANCE
The Contractor shall comply with the applicable provisions of the Health Insurance Portability and Accountability Act of 1986 and regulations promulgated thereunder and to protect the confidentiality and integrity of Protected Health Information. The Contractor agrees to include the provisions of this section as part of any Contract or Agreement the Contractor enters into with subcontractors or other third parties for work related to work pursuant to this Agreement.

COPYRIGHT
The Contractor hereby irrevocably transfers, assigns, sets over and conveys to the Sheriff all right, title and interest, including the sole exclusive and complete copyright interest, in any and all copyrightable works created pursuant to this Agreement. The Contractor further agrees to execute such documents as the Sheriff may request to effect such transfer or assignment.

Further, the Contractor agrees that the rights granted to the Sheriff by this paragraph are irrevocable. Notwithstanding anything else in this Agreement, the Contractor's remedy in the event of termination of or dispute over the terms of this Agreement shall not include any right to rescind, terminate or otherwise revoke or invalidate in any way the rights conferred pursuant to
the provisions of this paragraph. Similarly, no termination of this Agreement shall have the effect of rescinding, terminating or otherwise invalidating the rights acquired pursuant to the provisions of this "Copyright" paragraph.

SUBCONTRACTS
The use of subcontractors or third parties in developing or creating input into any copyrightable materials produced as a part of this Agreement is prohibited unless the Sheriff approves the use of such subcontractors or third parties in advance and such subcontractors or third parties agree to include the provisions of this paragraph as part of any contract they enter into with the Contractor for work related to work pursuant to this Agreement.

The Contractor may enter into subcontracts for components of the health care delivery program, as the Contractor deems necessary to comply with the terms of the contract. All such subcontracts require the prior written approval of the Sheriff.

PAYMENT OF SUBCONTRACTORS
The Contractor is obligated to take one of the two following actions within seven (7) days after receipt of amounts paid to the Contractor by the Sheriff for work performed by any subcontractor under this Contract:

1. Pay the subcontractor for the proportionate share of the total payment received from the Sheriff attributable to the work performed by the subcontractor under this Contract; or

2. Notify the Sheriff and the subcontractor, in writing, of the Contractor's intention to withhold all or a part of the subcontractor's payment with the reason for nonpayment.

The Contractor is obligated to pay interest to the subcontractor on all amounts owed by the Contractor that remain unpaid after seven (7) days following receipt by the Contractor of payment from the Sheriff for work performed by the subcontractor under this Contract, except for amounts withheld as allowed in b. above. Unless otherwise provided under the terms of this Contract, interest shall accrue at the rate of one percent (1%) per month.

The Contractor shall include in each of its subcontracts a provision requiring each subcontractor to include or otherwise be subject to the same payment and interest requirements with respect to each lower-tier subcontractor.

The Contractor's obligation to pay an interest charge to a subcontractor pursuant to the above provisions may not be construed to be an obligation of the Sheriff. A Contract modification may not be made for the purpose of providing reimbursement for such interest charge. A cost reimbursement claim may not include any amount for reimbursement for such interest charge.

AUDIT
The Contractor agrees to retain all books, records and other documents related to this procurement for at least five (5) years after final payment, or until audited by the Sheriff, whichever is sooner. The Sheriff or its authorized agents shall have full access to and the right to examine any of
the above documents during this period. If the Contractor wishes to destroy or dispose of records (including confidential records to which the Sheriff does not have ready access) after the Sheriff's audit but within five (5) years after final payment, the Contractor shall notify the Sheriff at least thirty (30) days prior to such disposal, and if the Sheriff objects, shall not dispose of the records.

PROJECT STAFF
The Sheriff will, throughout the Contract Term and any renewal term, have the right of reasonable rejection and approval of staff or subcontractors assigned to the Project by the Contractor. If the Sheriff reasonably rejects staff or subcontractors, the Contractor must provide replacement staff or subcontractors satisfactory to the Sheriff in a timely manner and at no additional cost to the Sheriff. The day-to-day supervision and control of the Contractor’s employees shall be solely the responsibility of the Contractor.

The Contractor's medical staff will be required to follow all ACDF security regulations and will be required to successfully pass a pre-employment security and background clearance conducted by the Sheriff. Prior to a Contract employee beginning work in the Detention Facility, the employee must first be cleared in writing by the Sheriff and complete the Sheriff's Office orientation. The Program Administrator shall have all potential new contract employees complete a Sheriff's Office background investigation application and submit it for clearance.

The Sheriff will screen the health care personnel to ensure that such personnel will not constitute a security risk to the facility or to the inmates.

SUPERVISION BY CONTRACTOR
The Contractor shall at all times enforce sanitary conditions, strict discipline and good order among the workers performing under this Contract, and shall not employ (on the work) any person not reasonably proficient in the work assigned.

SAFETY
The Sheriff shall, in accordance with the procedures set forth in the ACDF Policy Manual, current edition, provide as safe an environment as is reasonably possible for medical program employees, suppliers, management and other authorized visitors.

The Contractor shall comply with, and ensure that the Contractor's personnel and subcontracted personnel comply with, all current applicable local, state and federal policies, regulations and standards relating to safety and health, including, by way of illustration and not limitation, the standards of the Virginia Occupational Safety and Health Administration for the General Industry and for the Construction Industry, the Federal Environmental Protection Agency Standards and the applicable standards of the Virginia Department of Environmental Quality.

The Contractor shall provide, or cause to be provided, all technical expertise, qualified personnel, equipment, tools and material to safely accomplish the work specified to be performed by the Contractor and subcontractor(s).
The Contractor shall identify to the Sheriff Project Officer at least one person who is the Contractor's competent, qualified, and authorized person at the Contractor's worksite and who is, by training or experience, familiar with policies, regulations and standards applicable to the work being performed. The competent, qualified and authorized person must be capable of identifying existing and predictable hazards in the surroundings or working conditions which are unsanitary, hazardous or dangerous to employees, shall be capable of ensuring that applicable safety regulations are complied with, and shall have the authority and responsibility to take prompt corrective measures, which may include removal of the Contractor's personnel from the Contractor's worksite.

The Contractor shall provide to the Sheriff, at the Sheriff's request, a copy of the Contractor's written safety policies and safety procedures applicable to the scope of work. Failure to provide this information within seven (7) days of the Sheriff's request may result in cancellation of the award.

SECURITY

The Contractor shall have no responsibility for the physical security of the ACDF, or for the custody of the inmates. The physical security of the ACDF and the custody of the inmates are responsibilities of the Sheriff.

The Sheriff may refuse admittance to the ACDF or areas of the ACDF of Contractor personnel at any time for security reasons.

The Contractor shall be responsible for following all procedures established or to be established by the Sheriff governing security procedures, as are reasonably placed in effect. The Contractor, however, shares joint responsibility with the Sheriff to assure that security is maintained at all times when treating inmates. The Contractor shall be responsible to provide all necessary training to its staff, retrain them as necessary, and provide mandatory training required of all facility staff.

CHANGES IN SERVICE

If any changes in services required under the contract are contemplated during any contract year, the changes and the cost of such changes, if any, shall be subject to negotiation between the Sheriff and the Contractor. The Sheriff reserves the right to obtain such services from other sources if the negotiations, in the opinion of the Sheriff, fail to result in agreement. Changes agreed to by the parties shall be incorporated into the contract by Amendment executed by both parties.

EQUIPMENT AND SPACE AVAILABLE

The Contractor shall be responsible for specialized secured medication carts, a fax machine and any other specialized equipment, such as computers, necessary for on-site medical staff to carry out functions to accommodate the Contractor's plan for delivering pharmacy services under this agreement. All equipment provided by the Contractor will remain the property of the Contractor.

The Contractor shall be solely responsible for all costs of repair and maintenance of the equipment while it is on premises unless damage through negligence.

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223-06
The Sheriff shall provide, at its expense, existing space to accommodate an on-site pharmacy dispensing room that is secured sufficient in size to accommodate the equipment and activities necessary to accommodate the storage of medications and carts. The Sheriff shall provide all necessary utilities, including local telephone service but not long distance telephone or facsimile service. Facsimile services supporting the pharmacy operation shall be solely borne by the Contractor. The Contractor shall submit payment to the Sheriff for long distance telephone and facsimile service within 30 days of receipt.

PROCEDURE AND ORIENTATION MANUAL
Prior to implementation of services under this contract, the Contractor shall develop and maintain, update and comply with a written procedure and orientation manual tailored to the receipt, documentation, distribution, inventory and safe practices by which medications are received, stored, counted, set-up for inmates, and dispensed. This manual will be reviewed annually by the Contractor and modified by the Contractor to reflect any necessary updates. The Contractor shall ensure that policies and procedures meet all American Correctional Association, National Commission on Correctional Health Care, Virginia Department of Corrections standards for such pharmacy operations. The Contractor shall also ensure that policies and procedures meet all applicable pharmacy laws in the Commonwealth of Virginia.

TERMINATION OF EMPLOYMENT
The Contractor's Program Administrator shall send immediate written notification to the Sheriff, Director of Corrections and the Support Services Administrator of resignation, or any other type of termination of employment of any Contractor employee(s) or contract employee(s). Prior to the effective date of such termination the employee(s) shall be required to return all ID's, keys, and any property issued to the employee by the Sheriff.

INSURANCE
The Contractor shall provide evidence of insurance coverages described and required in the solicitation documents of Request for Proposals No. 223-06 (RFP) before the start of work under this Agreement.

NONEXCLUSIVITY OF REMEDIES
All remedies available to the Sheriff under this contract are cumulative and no such remedy shall be exclusive of any other remedy available to the Sheriff at law or in equity.

AMENDMENTS
This Contract shall not be amended except by written amendment executed by persons duly authorized to bind the Contractor and the Sheriff.

SEVERABILITY
The sections, paragraphs, sentences, clauses and phrases of this Contract are severable, and if any phrase, clause, sentence, paragraph or section of this Contract shall be declared invalid by the valid judgment or decree of a court of competent jurisdiction, such invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this Contract.
WITNESS these signatures:

THE SHERIFF OF ARLINGTON COUNTY, VIRGINIA

AUTHORIZED SIGNATURE:  

NAME AND TITLE:  BETH ARTHUR SHERIFF

DATE:  10/23/06

DIAMOND PHARMACY SERVICES

TAXPAYER ID NUMBER, SSN/EIN:  25-1378278

AUTHORIZED SIGNATURE:  

NAME AND TITLE:  MARL J. ZIUNOZI DIRECTOR OF OPERATIONS

DATE:  10/20/06
SCOPE OF SERVICES

The Contractor shall provide pharmacy services sufficient to meet the needs of the Arlington County Detention Facility (ACDF). The Average Daily Population (ADP) of ACDF is approximately 630 and the annual commitments are approximately 8000. The Contractor shall supply medications from an off-site location and ship them to Sheriff on a daily basis. The Contractor shall work within all applicable state and federal laws, rules regulations and guidelines regarding the management of and provision of pharmacy operations and services. The Contractor shall supply both prescription medications and Over-The-Counter (OTC) medications packaged and labeled appropriately for administration to ACDF inmates. Definitions for key terms in this document are included in the solicitation documents.

GENERAL DUTIES OF THE CONTRACTOR

The Contractor shall be responsible for administrative efficiency, quality, and cost-effectiveness of pharmacy services provided and shall provide services consistent with Commonwealth of Virginia and Pennsylvania applicable pharmacy law/code. The Contractor shall be available to confer with the Sheriff or designee at any time given sufficient notice concerning any provisions of this Agreement, any proposed changes in the Agreement, or any other matter pertaining to the performance of the contract. Until notified otherwise in writing by the Sheriff, the Sheriff's designated representative for all contractual matters is the Support Services Administrator.

The Contractor shall:

1. Provide competent staff and services knowledgeable in the specific area of providing pharmacy services in a corrections environment.
2. Ensure that all pharmacy operations at the Facility are in, and remain in, full and strict compliance with all applicable local, state and federal laws and regulations.
3. Ensure that all pharmacy operations off site are in, and remain in, full and strict compliance with all applicable local, state and federal laws and regulations.
4. Prepare the Sheriff for, and ensure successful completion or passage of, any audits by authorities for the Commonwealth of Virginia and any of its boards, departments and/or regulatory bodies.
5. Prior to commencement of the work under this Agreement, and quarterly thereafter, have its resident supervising pharmacist review its Virginia and Pennsylvania pharmacy operations against the relevant codes, ordinances and regulations, including but not limited to those of the Virginia Department of Corrections, to ensure strict compliance with those requirements.
6. Shall fully cooperate with random audits of returned drug administration records and any other audits as required by law or as deemed necessary by the Sheriff or its Medical Services Contractor to ensure compliance with this Contract.
7. Shall fully cooperate with the Medical Services Contractor to ensure the provision of safe, efficient and medically appropriate pharmacy services and facilitate the interface with such contractor related to the care and treatment of arrestees/inmates.
8. Review all prescriptions to ensure inmate/arrestee safety and the appropriateness of dose, strength, dosing etc.
9. Provide medications the next day if a faxed, signed new prescription order is received before 3 PM every weekday and on Saturdays by providing over-night delivery services through a reputable carrier. Refills shall be faxed at least 2 days before the expiration date to be filled.

10. Provide a system for ordering, monitoring onsite receipt, and maintaining an inventory of pharmaceuticals in a safe, secure, and organized fashion. The system must include an error tracking system consistent with applicable standards.

11. Provide any all necessary training, as determined by the Sheriff, the Contractor or both, on-site for Sheriff staff assigned to receive and maintain the medication inventory in preparation for administering, and for ordering new medications or re-ordering medications for ACDF inmates.

12. Provide for STAT medications, medications that must be delivered within 6 hours, by subcontracting with a local pharmacy to provide prescriptions services at a reduced rate.

13. Provide ACDF prescribers the capability to electronically transmit prescription orders to the pharmacy for dispensing.

14. Provide 24 hour/seven day a week consultation services including online 24-hour computer or telephone access to Contractor’s pharmacist licensed to practice in Virginia for consultation on medications dispensed.

15. Provide and maintain 24 hour/seven day a week access to the Contractor’s facsimile (fax) machine equipped with appropriate encryption at Contractor’s expense to allow the forwarding of prescription OTC orders electronically.

16. Provide a reliable system for recording all patient data, e.g., arrestee/inmate number, date of birth, drug allergies, etc., necessary to provide the prescription to the pharmacy.

17. Provide prescriptions consistent with the available formulary.

18. Review for and provide written notifications of contraindications, e.g., drug interactions, drug allergy, incorrect dose.

19. Provide feedback to the prescriber if non-formulary medications are not requested with the proper authorization.

20. Provide the ability to print a hard copy of the faxed prescription order at the facility for all orders transmitted to the remote pharmacy. This record will be used by staff to verify that orders transmitted are received within twenty-four (24) hours.

**REQUIRED PROGRAMS AND SERVICES**

1. Packaging of Dispensed Medications
   
a. Contractor shall provide a barcode order check-in software system. With this system facility may check orders in more automated then by hand using a delivery sheet.

   b. Medications shall be dispensed in "blister pack" cards, or similar unit-dose packaging method, providing accountability of drugs administered, security, cost effectiveness and ease of storage and distribution. Prescription packages must be labeled to meet County, State and Federal labeling requirements.

   c. Patient blister cards, or selected method of packaging medications
d. Contractor pharmacy services shall include provisions of compounded intravenous solutions; e.g., antibiotics to be administered in ACDP.

e. Packaging shall minimize the waste of medication.

2. Generic Medications

a. Generic medications shall be used except where bis-equivalence issues have been documented. Generic medications shall be substituted for brand name unless otherwise indicated by physician on a non-formulary request form.

b. The Contractor shall ensure availability of generic substitutes and report reasoning for any unavailability and plan and target dates for provision thereof.

3. Over-The-Counter (OTC) Medications and Stock Inventory

Contractor shall establish a stock supply of commonly utilized medications (OTCs, legend and controlled substances) for administration to inmates prior to receipt of their actual patient-specific prescription. This stock shall be managed and maintained in a safe and secure environment with a perpetual inventory tracking system, developed by the Contractor, to ensure accountability. Stock medications shall be determined by the Medical Director, the Director of Nursing, and the Support Services Administrator as an agent for the Sheriff. Over the Counter (OTC) medications that are ordered by the physician or ordered for use by Sheriff.

4. Storing Packaged Medications

a. All packaged medications, shall be stored in a lockable storage device, e.g. medication cart, to be supplied by the Contractor. The medication cart must be so constructed with a door locking mechanism to prevent unauthorized access to medication while being stored during non-medication administration time and during transit to units.

b. The Contractor shall recommend size, style, etc. of medication carts and provide carts to accommodate its system if the available medication carts currently utilized by ACDP are not adequate to the task.

5. Medication Delivery Schedule

a. The Contractor shall provide routine dispensed prescriptions, delivered the day following the transmission by 3 PM (Virginia time) of prescription orders from ACDP to the pharmacy. Refills will be ordered at least 2 days before the expiration date to be filled. Routine delivery shall be available six (6)
days a week, with procedures established for stock medications and provision for STAT medications.

b. The Contractor shall provide, through an agreement with a local pharmacy, urgent delivery of (STAT) medications and pharmaceutical supplies within six (6) hours of placing the order. Urgent delivery shall be provided twenty-four (24) hours per day; seven (7) days a week and procedures for accomplishing cost-effective, emergency delivery shall be part of Contractor proposal.

c. Contractor shall provide, through an agreement with a local pharmacy, emergency delivery of life sustaining formulary and/or non-formulary STAT medications that need to be obtained within one (1) hour of placing the order. Delivery shall be twenty-four (24) hours per day, seven (7) days a week.

6. Pharmacy and Therapeutics Committee

a. The Contractor shall establish a Pharmacy and Therapeutics Committee, which shall meet no less than quarterly, to review of the formulary and non-formulary usage, provider prescribing practices, drug utilization review, educational information, drug costs and other relevant topics to pharmacy operations. The Medical Director, Dentist, Psychiatrists, consulting Pharmacist, and Support Services Administrator shall participate in these mandatory meetings either in person or by teleconference.

b. The Pharmacy and Therapeutics Committee Meeting shall coincide with the scheduled onsite inspection of the consultant pharmacist.

7. Formulary Development

The Contractor shall establish a formulary of legend drugs for use within the facilities. This formulary must meet with the approval of the Jail Administrator or his designee and must be current with community standards of practice within managed care environments. A comprehensive policy and procedure shall describe the use of the formulary and procedures for non-formulary approval. It shall be the responsibility of the on-site Medical Director to approve or deny any non-formulary request including psychotropic medications. The Contractor shall submit a draft formulary with their proposal.

The Contractor shall also develop a formulary for OTC products and shall coordinate it with the use of approved nursing protocols for minor, self-limiting illnesses among the arrestee/inmate population. Again, a non-formulary process shall be established for any such request for an OTC product not identified as formulary.

The Contractor shall provide technical assistance to the Medical Services Contractor and Sheriff regarding the definition and procedural use of OTC's and a list of legend medications that may be safely self-administered by inmates (also known as Keep On Person (KOP))
medications. The procedure should include restriction of KOPs for any
arrestee/inmate unable to manage the responsibility of self-medications.

The Contractor shall provide a managed formulary (for legend drugs and
OTCs) that will foster safe, appropriate and effective drug therapy.
It shall accomplish the following:

a. Promote cost containment/effectiveness without increased risk of
   adverse consequences or therapeutic misadventures.

b. Promote rational and objective drug therapy.

c. Promote appropriate generic drug utilization and use of the lowest
cost therapeutically equivalent drug within a category.

8. Quality Assurance and Consulting Pharmacist

a. The Contractor shall assure that every medication dispensed is in
   compliance with the prescribed orders for the Commonwealth of
   Virginia and has been carefully reviewed for information by a
   pharmacist registered in the Contractors home state.

b. A description of the Contractor's continuous quality improvement
   program shall be included in their technical proposal.

c. The Contractor must provide a registered pharmacist to conduct a
   quarterly site audit and quality assurance review. The audit
   document used by the Contractor must be consistent with the
   accreditation requirements established by the ACA, NCCHC, and
   VADOC, as appropriate.

9. Policy Development

   The Contractor shall assist in the review of ACDF pharmacy policy and
   procedure. Development will be in conjunction with and approved by the
   Sheriff or its agents. The Contractor shall review the manual annually
   and recommend modifications as necessary.

10. Medication Administration Record (MAR)

   The Contractor shall supply Medical Administration Records (MARs) to
   Sheriff for all inmates.

11. Pharmacy Consultation and Inspection

   a. The Contractor must have the personnel resources to provide
      consultant services by a pharmacist for analysis and consultation
      with the ACDF Chief Medical Officer on prescribing practices and
      treatment alternatives. Contractor must work collaboratively in
      the collecting and reporting of data and in the development of
      indicators to be measured.

   b. The Contractor shall conduct quarterly onsite inspections which
      shall be standardized and include aspects of pharmacy from the
      point of prescription order handling, through dispensing,
administration/distribution, through the act of documentation. The pharmacist shall inspect all areas where medications, whether legend drugs or OTC products, are stored and maintained at ACDF. The inspection shall cover other aspects of pharmaceutical management such as storage conditions, security, disposal practices, return of unused medications and documentation of inventory management for stock medications, psychotropic and controlled substances. Security aspects such as double-locking shall be included. Survey of the physical plant shall be included such as light, temperature control, moisture, and refrigerator use shall be included. The inspecting pharmacist shall produce a report from each inspection and suggested corrective action plan for any areas found problematic.

The written reports shall be provided to the Support Services Administrator within 10 calendar days of the inspection. The Contractor shall also provide timely follow-up and problem resolution on any issue within its area of responsibility.

12. In-service Training and Orientation

The Contractor shall provide on-site in-service/training during system implementation for all appropriate parties that will be involved with administering and/or ordering medication or pharmaceutical supplies. Additional on-site training shall be provided as necessary. Assistance shall be provided to Sheriff in the development of "in-house" trainers for on-going familiarization and training of ACDF staff. The provision of updated training materials to Sheriff, as needed, shall be the responsibility of the Contractor.

13. Non-Formulary Request System

a. The Contractor's dispensing system must assure that arrestee/inmate medication is in accordance with the Sheriff formulary. However, a documented mechanism must be in place to allow the designated Chief Medical Officer to authorize non-formulary or alternate medication where clinical need dictates.

b. The Contractor shall be responsible for establishing a non-formulary approval process and a feedback mechanism to the ACDF Medical Director in the event a non-formulary medication is ordered without the appropriate use of a non-formulary request form. This feedback system must be such that the continuity of patient care is not compromised or unduly disturbed with respect to expediting the medication order.

14. System Implementation

The Contractor shall provide a Project Work Plan identifying and documenting the detailed requirements/specifications for integrating the Pharmacy Services System into ACDF operations. The Contractor shall include the following in the Project Work Plan:

a. An implementation schedule, to include start date from award of Contract. The Contractor shall have a maximum of NINETY (90) days
to complete implementation process.

b. Local representation at ACDF during implementation.

c. Document all requirements and specifications for integration and implementation.

d. Identify equipment, facility, personnel and logistical needs required by Contractor during implementation to be provided by Sheriff.

e. Identify equipment, software, logistical support and personnel available to ACDF during and after implementation.

f. Detail the process for training of Sheriff personnel.

g. Identify how current patient prescriptions/MARs will be transferred to the Contractor’s system.

15. Reports

The Contractor shall provide an internet secure web-based integrated reporting system for Sheriff use that provides up-to-date data (previous day’s orders must be viewable) on all pharmaceuticals ordered for ACDF utilization management. This system shall provide for reporting by dates(s), cost, site, prescriber, patient, drug or drug category utilization or any combination thereof, as well as those prescriptions needing to be refilled. In addition, monthly reporting of drug returns, and prescription errors shall be provided.

The Contractor shall work collaboratively with the Medical Services contractor in the collecting and reporting of data and in the development of indicators to be measured and standard reports for management and administrative purposes. These shall include, but not be limited to, reports monitoring provider prescription practices against the Sheriff formulary, established in conjunction with the Contractor, and any reports necessary for cost audit purposes. The Contractor shall provide the Sheriff upon request of specific report detailing medical information within one business day.

16. Pricing and Payment

Contractor pricing shall be as follows:

Total price of the medication shall consist of the base cost (Actual Acquisition Cost) of medications or pharmaceutical supplies, plus a Management fee of $7.35 per arrestee/inmate per month identified below.

The monthly Management Fee shall be firm for the Initial Contract Term. At least forty (40) calendar days before the expiration date of the Initial Contract Term, the Sheriff will evaluate the experience in using the Management Fee and, if deemed for the best interest of the Sheriff, change the pricing method to a Per Prescription Fee identified below.

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223-06
Pricing Terms:

a. Monthly Management Fee per arrestee/inmate per month based on ADP report provided to the Contractor by the Sheriff. The monthly Management Fee of $7.35 includes the cost of the entire program e.g. equipment, overhead, distribution, labor, taxes.

b. Service Fee per Prescription: The Service Fee per Prescription of $3.40 includes the cost of the entire program e.g. equipment, overhead, distribution, labor, taxes.

c. The base cost (actual acquisition cost) of the pharmaceutical supply or medication identified in Appendix I may be adjusted based on the manufacturer's price change(s). At Sheriff's request, price adjustments shall be supported by appropriate documentation.

d. Manufacturer's rebates will not be shared.

e. Contractor agrees to provide at no cost to the Sheriff, upon request by Sheriff, copies of actual invoices from any Contractor suppliers.

f. Current Actual Acquisition Cost Pricing for high volume and high cost medications is listed in Appendix I (Pricing). Maintenance medications will be dispensed in a thirty (30) days supply unless requested otherwise or may also be ordered in smaller quantities to help minimize waste such as inmates being released in under a month, short term medications such as antibiotics, PRN, and pain medications, ATN, trial of a new medication, etc. The pricing model is based on a fee per inmate with dispensing a 30 day routine day supply.
APPENDIX 1

PRICING

The following is the Current Actual Acquisition Cost Pricing for high volume and high cost drugs used in ACDF.

Arlington County Detention Facility Top Drugs by Cost and Volume for CY 2005
Top 50 Drugs by Cost

<table>
<thead>
<tr>
<th>Rank</th>
<th>Drug</th>
<th>Metric Qty Dispensed</th>
<th>Actual Unit Cost (per tab/ml/mg)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>LAMIVUDINE - AZT 150/300 MG TABS (+)</td>
<td>1.00</td>
<td>$5.29</td>
</tr>
<tr>
<td>2</td>
<td>EFAVIRENZ 600MG TABS</td>
<td>1.00</td>
<td>$13.61</td>
</tr>
<tr>
<td>3</td>
<td>LAMIVUDINE (3TC) 150MG TABS</td>
<td>1.00</td>
<td>$4.79</td>
</tr>
<tr>
<td>4</td>
<td>QUETIAPINE FUMARATE 200MG TABS *</td>
<td>1.00</td>
<td>$4.05</td>
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<td>5</td>
<td>QUETIAPINE FUMARATE 25MG TABS *</td>
<td>1.00</td>
<td>$1.33</td>
</tr>
<tr>
<td>6</td>
<td>RISPERIDONE (1/2 OF 4MG) TABS *</td>
<td>1.00</td>
<td>$4.33</td>
</tr>
<tr>
<td>7</td>
<td>LOPINAVIR/RITONAVIR CAP 133/33 CAPS</td>
<td>1.00</td>
<td>$5.22</td>
</tr>
<tr>
<td>8</td>
<td>TENOFOVIR DISOPROXIL 300MG TABS</td>
<td>1.00</td>
<td>$14.49</td>
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<tr>
<td>9</td>
<td>QUETIAPINE FUMARATE 100MG TABS *</td>
<td>1.00</td>
<td>$2.63</td>
</tr>
<tr>
<td>10</td>
<td>ARIPIPRAZOLE 15MG TABS *</td>
<td>1.00</td>
<td>$7.12</td>
</tr>
<tr>
<td>11</td>
<td>NELFINAVIR MESYLATE 625 MG TABS</td>
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<td>RISPERIDONE (1/2 OF 2MG) TABS *</td>
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</tr>
<tr>
<td>13</td>
<td>ZIPRASIDONE HCL 80MG CAPS</td>
<td>1.00</td>
<td>$4.68</td>
</tr>
<tr>
<td>14</td>
<td>QUETIAPINE FUMARATE 300MG TABS *</td>
<td>1.00</td>
<td>$6.89</td>
</tr>
<tr>
<td>15</td>
<td>INDINAVIR 400MG CAPS</td>
<td>1.00</td>
<td>$2.49</td>
</tr>
<tr>
<td>16</td>
<td>STAVUDINE (D4T) 40MG CAPS</td>
<td>1.00</td>
<td>$5.26</td>
</tr>
<tr>
<td>17</td>
<td>ARIPIPRAZOLE 10MG TABS *</td>
<td>1.00</td>
<td>$7.12</td>
</tr>
<tr>
<td>18</td>
<td>RISPERIDONE 4MG TABS</td>
<td>1.00</td>
<td>$8.66</td>
</tr>
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<td>19</td>
<td>OLANZAPINE 10MG TABS</td>
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<td>ZIPRASIDONE HCL 40MG CAPS</td>
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<td>OLANZAPINE 20MG TABS</td>
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<td>24</td>
<td>ATAZANAVIR SULFATE 200MG CAPS</td>
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</tr>
<tr>
<td>25</td>
<td>GABAPENTIN 600MG TABS</td>
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</tr>
<tr>
<td>26</td>
<td>NEVIRAPINE 200 MG TABS</td>
<td>1.00</td>
<td>$6.06</td>
</tr>
<tr>
<td>27</td>
<td>TOPIRAMATE 25MG TABS</td>
<td>1.00</td>
<td>$1.56</td>
</tr>
<tr>
<td>28</td>
<td>SERTRALINE HCL (1/2 OF 100MG) TABS *</td>
<td>1.00</td>
<td>$1.19</td>
</tr>
<tr>
<td>29</td>
<td>PEGINFERON A-2A (1ML) 180 UG/ML INJ</td>
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</tr>
<tr>
<td>30</td>
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<td>$10.77</td>
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<td>RISPERIDONE 0.5MG TABS *</td>
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<td>$1.66</td>
</tr>
<tr>
<td>32</td>
<td>LAMOTRIGINE 150MG TABS</td>
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<tr>
<td>33</td>
<td>VALPROIC ACID 250MG CAPS</td>
<td>1.00</td>
<td>$0.09</td>
</tr>
<tr>
<td></td>
<td>Medicine Name</td>
<td>Metric Qty Dispensed</td>
<td>Metric Cost</td>
</tr>
<tr>
<td>---</td>
<td>--------------------------------</td>
<td>---------------------</td>
<td>-------------</td>
</tr>
<tr>
<td>1</td>
<td>IBUPROFEN (BULK) 200MG TABS</td>
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</tr>
<tr>
<td>2</td>
<td>VALPROIC ACID 250MG CAPS</td>
<td>1.00</td>
<td>$ 0.09</td>
</tr>
<tr>
<td>3</td>
<td>COAL TAR SHAMPOO (250ML) SHAM</td>
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<td>4</td>
<td>QUETIAPINE FUMARATE 25MG TABS *</td>
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<td>$ 1.33</td>
</tr>
<tr>
<td>5</td>
<td>DIPHENHYDRAMINE 50MG CAPS</td>
<td>1.00</td>
<td>$ 0.01</td>
</tr>
<tr>
<td>6</td>
<td>SOD CHLORIDE IV (250ML) 0.9% INJ</td>
<td>1.00</td>
<td>$ 0.00</td>
</tr>
<tr>
<td>7</td>
<td>IBUPROFEN (BOX OF 24) 200MG TABS</td>
<td>1.00</td>
<td>$ 0.01</td>
</tr>
<tr>
<td>8</td>
<td>CALCIUM CARB (150) 500MG CHEW</td>
<td>1.00</td>
<td>$ 0.01</td>
</tr>
<tr>
<td>9</td>
<td>MILK OF MAGNESIA (30) 80MEQ/30ML SUSP</td>
<td>1.00</td>
<td>$ 0.00</td>
</tr>
<tr>
<td>10</td>
<td>LAMIVUDINE - AZT 150/300 MG TABS</td>
<td>1.00</td>
<td>$ 5.29</td>
</tr>
<tr>
<td>11</td>
<td>FLUOXETINE 20MG CAPS</td>
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</tr>
<tr>
<td>12</td>
<td>TRAZODONE HCL 50MG TABS</td>
<td>1.00</td>
<td>$ 0.02</td>
</tr>
<tr>
<td>13</td>
<td>APAP/ASA/CAFF 250-250-65MG TABS</td>
<td>1.00</td>
<td>$ 0.02</td>
</tr>
<tr>
<td>14</td>
<td>IBUPROFEN (UD) 200MG TABS</td>
<td>1.00</td>
<td>$ 0.01</td>
</tr>
</tbody>
</table>

Generics utilized when available.

* = Pricing based on split tablets.

(+) Combivir based on using Zidovudine 300mg and Epivir 150mg

Table B: Top Drugs By Volume

Arlington County Detention Facility Top Drugs by Volume for CY 2005
Top 50 Drugs by Volume
<table>
<thead>
<tr>
<th></th>
<th>Product Description</th>
<th>Price</th>
<th>Unit Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>15</td>
<td>APAP (BOX OF 24) 325MG TABS</td>
<td>1.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>16</td>
<td>GABAPENTIN 300MG CAPS</td>
<td>1.00</td>
<td>$0.07</td>
</tr>
<tr>
<td>17</td>
<td>SELENIUM SULFIDE (120ML) 2.5% SHAM</td>
<td>1.00</td>
<td>$0.03</td>
</tr>
<tr>
<td>18</td>
<td>RANITIDINE HCL 150MG TABS</td>
<td>1.00</td>
<td>$0.02</td>
</tr>
<tr>
<td>19</td>
<td>TRAZODONE HCL 100MG TABS</td>
<td>1.00</td>
<td>$0.04</td>
</tr>
<tr>
<td>20</td>
<td>TRIAMTERENE/HCTZ 37.5-25MG TABS</td>
<td>1.00</td>
<td>$0.03</td>
</tr>
<tr>
<td>21</td>
<td>APAP (BULK) 325MG TABS</td>
<td>1.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>22</td>
<td>PINK BISMUTH LIQ (240ML) 262MG/15ML SUSP</td>
<td>1.00</td>
<td>$0.00</td>
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<tr>
<td>23</td>
<td>GABAPENTIN 600MG TABS</td>
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<tr>
<td>24</td>
<td>HYDROCORTISONE CR (30GM) 1%</td>
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<td>$0.03</td>
</tr>
<tr>
<td>25</td>
<td>MULTI-VITAMIN TABS</td>
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</tr>
<tr>
<td>26</td>
<td>QUETIAPINE FUMARATE 100MG TABS *</td>
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<tr>
<td>27</td>
<td>CALCIUM CARB (150) 500MG CHEW</td>
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<tr>
<td>28</td>
<td>LAMIVUDINE (3TC) 150MG TABS</td>
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<tr>
<td>29</td>
<td>DEXTROSE WATER (1000) 5% INJ</td>
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<td>$0.00</td>
</tr>
<tr>
<td>30</td>
<td>LACTATED RINGERS (1000ML) INJ</td>
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<td>$0.00</td>
</tr>
<tr>
<td>31</td>
<td>SOD CHLORIDE IV (1000ML) 0.9% INJ</td>
<td>1.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>32</td>
<td>TRIAMCINOLONE 0.1% OINT (454) 0.1% OINT</td>
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<tr>
<td>33</td>
<td>DOCUSATE SOD 100MG CAPS</td>
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<tr>
<td>34</td>
<td>RISPERIDONE (1/2 OF 2MG) TABS *</td>
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<tr>
<td>35</td>
<td>CLONIDINE HCL 0.2MG TABS</td>
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</tr>
<tr>
<td>36</td>
<td>RISPERIDONE (1/2 OF 4MG) TABS *</td>
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<tr>
<td>37</td>
<td>LOPINAVIR/RITONAVIR CAP 133/33 CAPS</td>
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<tr>
<td>38</td>
<td>SUPROPION HCL SR 150MG TBCR</td>
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<td>39</td>
<td>EFAVIRENZ 600MG TABS</td>
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<td>40</td>
<td>QUETIAPINE FUMARATE 200MG TABS *</td>
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<tr>
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<tr>
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<td>DIPHENHYDRAMINE 25MG CAPS</td>
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<td>43</td>
<td>AMOXICILLIN 500MG CAPS</td>
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<tr>
<td>44</td>
<td>POTASSIUM CL 10MEQ TBCR</td>
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<td>45</td>
<td>INDINAVIR 400MG CAPS</td>
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<td>SUPROPION HCL 75MG TABS</td>
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<td>47</td>
<td>VERAPAMIL HCL SR 180MG TBCR</td>
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<tr>
<td>48</td>
<td>CHLORPHENIRAMINE (BOX OF 24) 4MG TABS</td>
<td>1.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>49</td>
<td>APAP HOSP PKT (150) 325MG TABS</td>
<td>1.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>50</td>
<td>SULFAMETH-TRIMETH 800-160MG TABS</td>
<td>1.00</td>
<td>$0.04</td>
</tr>
</tbody>
</table>

Generics utilized when available.

* = Pricing based on split tablets.

(+) Combivir based on using Zidovudine 300mg and Epivir 150mg