

November 5, 2020

Equalis Negotiation Group,

**Dear Equalis Team,**

Enclosed is McKesson Medical-Surgical Inc.'s (McKesson Medical-Surgical) response to your Request for Proposal ("RFP"). The RFP presents our approach to providing the best service, programs and non-acute market support to your Equalis Members while maintaining and improving existing service levels. We appreciate the opportunity and relationship and look forward to providing an even better, broader, and more collaborative relationship in the future.

We are the alternate-site industry leader with tools and services focused on providing solutions to all types of alternate site facilities including every class of trade. Focusing this RFP on Alternate site Non-acute government sectors both public and private entities. Our sales team is one of the largest in the industry, specializing in this class of trade helping to meet customer distribution needs. Our teams also have tools to assist customers with ordering, budgeting and planning strategic goals. Like Equalis, helping providers adapt to the constantly changing healthcare environment is our top priority.

Serving thousands of non-acute customers across the country, our technology solutions, services and cost management tools outlined below set us apart from other distributors and are designed to meet the needs of Equalis Members today and into the future:

- **McKesson SupplyManager<sup>SM</sup>** - a customer-facing, web-based ordering tool (supported by account executives and technology consultants);
- **McKesson ScanManager<sup>SM</sup>** - bar code enabled technology for ordering and inventory control;
- **Electronic data interchanges (EDI)** or punch out capabilities;
- **McKesson Budget Planner<sup>SM</sup>/McKesson Spend Manager<sup>SM</sup>** - departmental budget tracking and purchase analysis tool;
- **Customer service** - a proactive and dedicated customer service model;
- **Reporting capabilities** - Designed to meet Premier Member requirements;
- **Business reviews** – quarterly to bi-annual reviews by McKesson Account Executives to discuss critical service areas and confirm that we're aligned on customer goals;
- **Competitive costs** - low unit of measure and delivery five days per week, departmental ordering/delivery as well as the high touch service model clinics require; and
- **Experienced McKesson Account Executives** - who assist with product questions, coordinate supplier support, equipment set-ups and delivery, and add a consultative approach to your business needs.

On behalf of the McKesson team, we appreciate the opportunity and look forward to continuing to build a better distribution relationship in the years to come.

Sincerely,

**Cathy Dirnberger, Vice President, GPO's**

**314.459.3106**

**[Cathy.Dirnberger@McKesson.com](mailto:Cathy.Dirnberger@McKesson.com)**

**CERTIFICATION OF SOLE MEMBER**  
**OF**  
**McKESSON MEDICAL-SURGICAL GOVERNMENT SOLUTIONS LLC**

The undersigned, McKesson Medical-Surgical Inc., a Virginia corporation and sole member (the "Sole Member") of McKesson Medical-Surgical Government Solutions LLC, a Delaware limited liability company (the "Company") hereby certifies as follows:

**SIGNATURE AUTHORITY**

The persons named below, acting in accord with their job titles and the requirements set forth in the Company's Delegation of Authority policy are authorized to execute and deliver, in the name and on behalf of the Company, any government bid, proposal, contract, agreement and/or amendment, renewal or related bond required in connection with the Company's business activities.

- John Campbell, VP Corporate Accounts Government Sales
- Kathleen Adams-Joyce, Director of Government Sales Administration
- Amanda Johnson, Contract Administration Manager
- Kim Zabriskie, Proposal Specialist
- Hazel Gianatiempo, Contract Administration Manager

**IN WITNESS WHEREOF**, the undersigned have duly executed this certificate effective as of the 1<sup>st</sup> day of May 2019.

**SOLE MEMBER:**

McKesson Medical-Surgical Inc.,  
a Virginia corporation



Melissa Wu, Assistant Secretary





# **ATTACHMENT A: PROPOSAL REQUIREMENTS & SPECIFICATIONS**

## **EQUALIS GROUP: MEDICAL, SURGICAL, LABORATORY, PHARMACEUTICAL SUPPLIES AND EQUIPMENT WITH RELATED SERVICES & SOLUTIONS PROGRAM**

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## Section 1. General Guidelines

### 1.1. Instructions for Completing Attachment A

The specific requirements and proposal specifications for this Program are detailed in this **Attachment A – Technical Proposal Requirements & Proposal Specifications**. Attachment A is provided to Bidders in an editable Microsoft Word form so that it can easily serve as the base document for a Bidder's Technical Proposal. Bidders should incorporate their Technical Proposal responses directly into this document and include referenced attachments separately.

Use the following electronic file naming convention for naming your Technical Proposal prior to uploading your completed Technical Proposal to Bonfire: **Technical Proposal – Bidder Name.docx**.

For sections of Attachment A structured like the example below, simply click in the green cell on the “Click here to enter response” text and either type in or paste (using the *Paste Special > Merge Formatting* function in Microsoft Word) your response.

	<b>Formation.</b> In what year was the company formed? For how long has your company been operating under its present business name? If your company has changed its business name, include the most recent prior business name and the year of the name change.
This is a sample question. Please do not provide a response to this question.	

For sections of Attachment A structured like the example below, click on the “Yes” checkbox if your solution **fully provides** the defined requirement. Click on the “No” checkbox if your solution does not provide or only provides part of the defined requirement. The green cell is included for Bidders to provide any additional information or capabilities relating to that defined requirement. For example, if your solution i) provides more capabilities around that requirement, ii) meets some, but not all of that requirement, or iii) does not meet the defined requirement, but provides an alternative solution for the Proposal Review Team’s (“PRT’s”) consideration, click in the green cell on the “Click here to provide additional commentary, if necessary.” text and either type in or paste (using the *Paste Special > Merge Formatting* function in Microsoft Word) clarifying or additional information as appropriate.

1.1.2.	<b>Financing.</b> Does your company offer any financing options or programs?	<input type="checkbox"/> Yes <input type="checkbox"/> No
This is a sample question. Please do not provide a response to this question.		

### 1.2. Trade Secrets

Bidders are encouraged to review **RFP Section 3.4 – Trade Secrets Prohibition; Public Information Disclaimer** in conjunction with developing their responses to this RFP. Any information provided by a Bidder in its proposal that is not marked as trade secret information shall be deemed to be public records in accordance with Ohio law.

### 1.3. Attachments

Bidders may incorporate additional documents by reference as part of their response to **Attachment A – Technical Proposal Requirements & Proposal Specifications**. For example, you may want to include brochures, charts, or graphs in response to specific questions included in this Attachment A. Bidders should clearly state in their response to questions in Attachment A whether any specific documents are incorporated in their proposal by reference. In the event the attached documents are not references or referenced correctly, the PRT may exclude those attachments from consideration when scoring proposals.

The file names of such referenced documents that are included in a Bidder's electronic Technical Proposal submissions and uploaded to Bonfire should include, in the following order: i) Technical Proposal, ii) Bidder's name, iii) the Section number of the question for which the file is included as part of the response, and iv) a brief description of what is included in the electronic file. For example, if a Bidder references an attachment that includes financial statements in response to **Section 3.2.1.**, the following electronic file name would be appropriate: **Technical Proposal – Bidder Name – Section 3.2.1. – Financial Statements.pdf**.

## Section 2. Initial Qualifying Criteria

### 2.1. Completing & Submitting Initial Qualifying Criteria Documentation

As described in **RFP Section 5 – Criteria for Proposal Evaluation & Selection**, Bidders must complete and provide executed originals of the following documents as part of the proposal Bidders submit. *Equalis Group wil not consider a Bidder's Technical and Cost Proposals unless these forms are properly completed and submitted as part of the Bidder's proposal.*

2.1.1.	<b>Attachment C – Required Bidder Information &amp; Certifications.</b> This document includes information about the Bidder, key points of contact for proposal and legal questions that may arise during Equalis Group's review of the response, minority business enterprise and certifications, required affirmations subject to Ohio Revised Code guidelines, equal employment opportunity questions, questions regarding the subcontracting of certain elements of a Bidder's service delivery to Members, and confirmation that Bidder has reviewed and annotated, if applicable, the Equalis Group model i) Master Agreement, and ii) Administration Agreement entered into with Winning Suppliers.
Attachment C is completed and attached, Technical Proposal – MMSGs – 2.1.1 – Attachment C Required Bidder Information and Certifications	
2.1.2.	<b>Attachment D – W-9.</b> Bidders must complete the W-9 form and include the completed W-9 form in their response.
Attachment D is completed and attached.	
2.1.3.	Does your proposal include the properly completed and executed <b>Attachment C</b> and <b>Attachment D</b> ?      Yes      No
Click here to provide additional commentary, if necessary.	

## Section 3. Bidder Overview & Qualifications

### 3.1. Company Information

3.1.1.	<b>Company Name &amp; Address.</b>	
Company Name:	McKesson Corporation	
Headquarters Street Address:	9954 Mayland Drive, Suite 5176	
City, State & Zip Code:	Henrico, VA 23233-1464	
Main Telephone Number:	(833) 343-2700	
Website:	<a href="https://www.mckesson.com">https://www.mckesson.com</a>	
3.1.2.	<b>Formation.</b> In what year was the company formed? For how long has your company been operating under its present business name? If your company has changed its business name, include the most recent prior business name and the year of the name change.	
<p>McKesson Corporation ("McKesson") has played a fundamental role in shaping the design and direction of health care in the United States. Founded in 1833, McKesson provides comprehensive products, services and technology nationally, to all sites of care from retail pharmacies to physician offices, extended care facilities and surgery centers. McKesson has been in business for 187 years. As a subsidiary of McKesson, MMSGGS is the distributor of choice in health care supply management for the primary care and extended care markets. With its nationwide logistics network, unparalleled information technology and the strong financial backing provided by its parent company, MMSGGS is able to address the increasingly complex supply needs of customers. MMSGGS has been operating under its current business name since April 1, 2019. Prior to April 2019, MMSGGS operated under the name Moore Medical LLC.</p>		
3.1.3.	<b>Legal Structure.</b> Check the box next to the option that best describes the company's legal structure. Include requested narrative in the space provided.	
<input checked="" type="checkbox"/>	Corporation – provide the State of incorporation and the company ownership structure.	McKesson Medical-Surgical Government Solutions LLC is a wholly-owned subsidiary of McKesson Medical-Surgical Inc., which is a wholly owned subsidiary of McKesson Medical-Surgical Holdings Inc., which is a wholly owned subsidiary of McKesson Medical-Surgical Top Holdings Inc., which is a wholly-owned subsidiary of McKesson Corporation.
<input type="checkbox"/>	Partnership – provide the State of registration and the names of all partners.	<a href="#">Click here to enter response.</a>
<input type="checkbox"/>	Sole Proprietorship – provide the State of registration and the name and title of the principal.	<a href="#">Click here to enter response.</a>
<input type="checkbox"/>	Joint Venture – provide the State of registration and the names and titles of all principals.	<a href="#">Click here to enter response.</a>
<input type="checkbox"/>	Other – provide detailed description of corporate structure and ownership.	<a href="#">Click here to enter response.</a>



### 3.2. Financial Strength & Legal Considerations

3.2.1.	<p><b>Financial Strength.</b> Provide three (3) years of company and any parent company financial statements or other documents that speak to the financial strength of the company, such as the most recent Annual Report to Shareholders and 10K Report (if applicable) or audited financial statements, including income statement and balance sheet. <i>Note: you may mark this information as a "Trade Secret" per the terms of RFP Section 3.4 – Trade Secrets Prohibition; Public Information</i></p> <p><b>Disclaimer</b> and provide your response to this question in a separate electronic file that includes a "Trade Secret" watermark. Any company financial information provided should be included as part of the Technical Proposal. The proposal scoring of this Section 3.2.1. for Bidders that do not provide any financial information will be zero/fails to meet.</p>
<p>Due to the size and length of these financial statements, MMSGs asks that the reports are accessed at the publicly available link: <a href="https://investor.mckesson.com/reports">https://investor.mckesson.com/reports</a>.</p>	
3.2.2.	<p><b>Bankruptcy &amp; Insolvency.</b> Describe any bankruptcy or insolvency for your organization (or its predecessors, if any) or any principal of the firm in the last three (3) years.</p>
<p>There is no bankruptcy or insolvency to report.</p>	
3.2.3.	<p><b>Litigation.</b> Describe any litigation in which your company has been involved in the last three (3) years and the status of that litigation.</p>
<p>As MMSGs is part of McKesson Medical-Surgical, which is part of an enterprise that distributes a broad range of medical and pharmaceutical products across the country, McKesson Medical-Surgical is subject to various lawsuits from time to time. McKesson Medical-Surgical's indirect parent, McKesson Corporation, reports all material litigation and government actions (including material actions taken against McKesson Medical-Surgical) in its annual reports and SEC filings.</p>	
3.2.4.	<p><b>Mandatory Contract Performance Disclosure.</b> Pursuant to RFP Section 3.13, disclose whether the your company's performance and/or the performance of any of the proposed subcontractor(s) under contracts for the provision of services that are the same or similar to those to be provided for the Program which is the subject of this RFP has resulted in any "formal claims" for breach of those contracts. For purposes of this disclosure, "formal claims" means any claims for breach that have been filed as a lawsuit in any court, submitted for arbitration (whether voluntary or involuntary, binding or not), or assigned to mediation. For any such claims disclosed, fully explain the details of those claims, including the allegations regarding all alleged breaches, any written or legal action resulting from those allegations, and the results of any litigation, arbitration, or mediation regarding those claims, including terms of any settlement. While disclosure of any formal claims will not automatically disqualify a Bidder from consideration, at the sole discretion of Equalis Group, such claims and a review of the background details may result in a rejection of a Bidder's proposal. Equalis Group will make this decision based on the Proposal Review Team's determination of the seriousness of the claims, the potential impact that the behavior that led to the claims could have on the Bidder's performance of the work, and the best interests of Members.</p>
<p>As MMSGs is part of McKesson Medical-Surgical, which is part of an enterprise that distributes a broad range of medical and pharmaceutical products across the country, McKesson Medical-Surgical is subject to various lawsuits from time to time. McKesson Medical-Surgical's indirect parent, McKesson Corporation, reports all material litigation and government actions (including material actions taken against McKesson Medical-Surgical) in its annual reports and SEC filings.</p>	
3.2.5.	<p><b>Mandatory Disclosure of Governmental Investigations.</b> Pursuant to RFP Section 3.14, indicate whether your company and/or any of the proposed subcontractor(s) has been the subject of any adverse regulatory or adverse administrative governmental action (federal, state, or local) with respect to your company's performance of services similar to those described in this RFP. If any such instances are disclosed, Bidders must fully explain, in detail, the nature of the governmental action, the allegations that led to the governmental action, and the results of the governmental action including any legal action that was taken against the Bidder by the governmental agency. While disclosure of any</p>



governmental action will not automatically disqualify a Bidder from consideration, such governmental action and a review of the background details may result in a rejection of the Bidder's proposal at Group's sole discretion. Equalis Group will make this decision based on the Proposal Review Team's determination of the seriousness of the claims, the potential impact that the behavior that led to the claims could have on the Bidder's performance of the work, and the best interests of Members.

As MMSGS is part of McKesson Medical-Surgical, which is part of an enterprise that distributes a broad range of medical and pharmaceutical products across the country, McKesson Medical-Surgical is subject to various lawsuits from time to time. McKesson Medical-Surgical's indirect parent, McKesson Corporation, reports all material litigation and government actions (including material actions taken against McKesson Medical-Surgical) in its annual reports and SEC filings.

### 3.3. Industry Qualifications

**3.3.1. Company Identification.** How is your organization best identified? Is it a manufacturer, distributor/dealer/reseller, or service provider? Based on your answer, please provide a response to question 3.3.1.1.

MMSGS is a product supply distribution company that can work with customers to accomplish the tasks that some distributors find difficult but are crucial to recognizing opportunities and reducing costs. These tasks include the following:

- Providing access to group purchasing organization ("GPO") pricing and more advantageous tier levels;
- Assisting in negotiating individual Supplier contracts;
- Standardizing Products;
- Developing electronic Menu management; and
- Improving the ordering process through McKesson SupplyManagerSM.

MMSGS does not install equipment. Any installation or other service required for the delivery of product, the customer shall look to the Supplier and/or a third party to install the equipment.

**3.3.1.1. Network Relationship.** If your company is best described as a manufacturer or service provider, please describe your direct sales and service force and how your dealer network operates to sell and deliver the Products & Services proposed in this RFP. Is your direct sales force employed by your company or by a third party? Please explain.

McKesson is not a manufacturer of products. McKesson is a wholesale distributor of medical-surgical products. Our sales force is primarily employed by our company; however, there may be some sales representatives or other support individuals that are contracted employees.

**3.3.2. Industry Experience.** For how long has your company been in the medical, surgical, laboratory, pharmaceutical supplies & equipment distribution and/or related products and services industry? What percentage of your company's revenue in each of the last three (3) full calendar years was generated from the provision of medical, surgical, laboratory, pharmaceutical supplies & equipment and/or related products and services?

McKesson Corporation ("McKesson") has been in the medical, surgical, laboratory, pharmaceutical supplies & equipment distribution service industry for more than 180 years. 100% of our revenue in the previous three (3) calendar years was generated from the provision of medical, surgical, laboratory, pharmaceutical supplies & equipment and/or related products and services.

**3.3.3. Geographic Reach.** Describe your company's service area in the United States (e.g., nationwide, the continental United States, or specific states or regions). If your company does not currently provide services nationwide, describe your plans/timeframes to achieve nationwide service provision, if applicable.



With a nationwide network of distribution centers strategically located to provide optimal service to customers in the continental United States, MMSGs offers fast, reliable delivery solutions up to five days per week, Monday through Friday, in low and high unit of measure for standard Products. MMSGs's delivery system makes use of company-operated vehicles, common carrier agreements and overnight express shipments to provide a totally responsive delivery capability. This schedule means customers can requisition and receive Products when they need them, staying within their supply budget while keeping vital products in stock.

**3.3.4. Certifications and Licenses.** Provide a detailed explanation outlining the licenses and certifications that are i) required to be held, and ii) actually held by your organization (including third parties and subcontractors that you use). Has your company maintained these certifications on an ongoing basis? If not, when, and why did your company lose any referenced certifications?

McKesson does hold licenses and/or certifications that allow us to ship product nationwide. At the time of the proposal submission and considering that this opportunity has national scope, MMSGs does not have a listing available of every license and/or certification from each state or other government entity. MMSGs can provide additional detail upon award if requested.

### 3.4. Public Sector Focus

**3.4.1. Public Sector Contract Vehicles.** What Public Sector contract vehicles (e.g., state term contracts, General Services Administration schedules, group purchasing organization contracts, etc.) does your company have in place to provide medical, surgical, laboratory, and pharmaceutical supplies and/or related products and services to public sector entities under an exemption from the standard public sector bid/RFP process? For each contract vehicle, when was the contract established, what is the expiration date, and is the award sole source or multi-source (i.e., is your company the only supplier for the spending category or are multiple competing suppliers included in the contract vehicle), and how much annual revenue your company generated through the contract(s) in each of the last three (3) calendar years?

MMSGs is currently a distributor for hundreds of local, state and federal contracts or Group Purchasing Organizations obtained through the competitive bidding process. Some of these contracts include: Minnesota Multistate Contracting Alliance for Pharmacy ("MMCAP"), Omnia Patners and state contracts including the Commonwealth of Pennsylvania, Commonwealth of Massachusetts, state of Georgia and State of CT. MMSGs does not currently have a GSA schedule. See Attachment E for the details requested above.

**3.4.2. Education Success.** What is the i) total dollar amount, and ii) percentage of your company's total annual revenue generated by sales to educational institutions (i.e., K-12 schools & school districts and high education)?

McKesson company policy is to not share this level of market data.

**3.4.3. Government Success.** What is the i) total dollar amount, and ii) percentage of your company's total annual revenue generated by sales to local governments (i.e., municipalities, counties, special districts, and state agencies)?

McKesson company policy is to not share this level of market data.

**3.4.4. Public Sector Strategic Growth Plan.** Describe your company's three to five-year local government, K-12, and higher education sales objectives and the key elements of your strategic plan to achieve those objectives. What is the total annual dollar value of your company's revenue generated by sales to local governments and educational institutions in each of the last three (3) calendar years? What percentage of your company's total annual revenue is generated by sales to local governments and educational institutions?

### 3.5. Customer References

3.5.1.	<p>Provide references of at least five (5) local government or educational institution customers for which your company has provided products and services similar in nature and scope to those defined in this RFP in the last three (3) years. Your references should include a mix of types and sizes of public sector entities such as municipalities, K-12 schools or schools districts, and colleges and universities. Each reference should include:</p> <ul style="list-style-type: none"> <li>• Customer name and location;</li> <li>• Customer contact person and their title, telephone number, and email address;</li> <li>• A brief description of the products and services provided by your company;</li> <li>• Customer relationship starting and ending dates; and,</li> <li>• Notes or other pertinent information relating to the customer and/or the products and services your company provided.</li> </ul>

### 3.6. Insurance Coverage

3.6.1.	<p><b>General Liability, Property &amp; Automobile Insurance.</b> If your company is selected as the Winning Supplier, during the term of any agreements between your company and Equalis Group, and for two (2) years following expiration or termination of such agreements, your company, at its own expense, will maintain and will require that its agents, subcontractors, or suppliers engaged in your company's performance of its duties under such agreements, maintain general liability insurance, property insurance, and automobile insurance (at a minimum, in the amount of \$1,000,000 per occurrence/\$5,000,000 annual aggregate) applicable to any claims, liabilities, damages, costs, or expenses arising out of its performance</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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	under such agreements. Confirm that your company either a) has, or b) will purchase insurance coverage as described herein.					
Please see MMSGs's cover letter exhibits regarding exceptions to terms and conditions.						
3.6.2.	<b>Employee Dishonesty – Members.</b> The Winning Supplier shall be held fully liable for any and all dishonest acts of its employees and/or its subcontractor's employees. Coverage must be provided for Third Party Employee Dishonesty, covering all employees and all officers of your company and any subcontractors, in an amount not less than \$100,000 per occurrence. Confirm that your company either a) has, or b) will purchase insurance coverage as described above covering all employees and all officers of your company, in an amount not less than \$100,000 per occurrence for each Equalis Group Member utilizing the Program.	<table border="1"> <tr> <td>Yes</td><td>No</td></tr> <tr> <td></td><td></td></tr> </table>	Yes	No		
Yes	No					
Click here to provide additional commentary, if necessary.						

## Section 4. Products, Services, Performance and Capabilities

### 4.1. Products

**Product Description(s).** Provide a detailed description of the products you are offering as a part of your proposal.

### 4.2. Services

**4.2.1. Services.** Describe any services available to Members and will be included as a part of your response to the RFP.

McKesson Inventory Manager<sup>SM</sup> is a Web-based supply management solution that will allow Equalis to build and consolidate requisitions for all vendors in one place, with multiple options for creating purchase orders. Equalis can identify and track supplies through the use of par/minimum-maximum levels while identifying supplies not being utilized to reduce expenses and promote Product standardization. This proven barcode technology can take physical inventory count at locations, generate orders and/or charge patients for supplies. Equalis will save time and reduce manual processes, with extensive reporting capabilities that help capture Equalis's real costs and better manage the business through cost management and inventory control.

McKesson Inventory Manager provides the following services:

- Consolidate and place orders for multiple vendors;
- Standardize inventory (by vendor, Product, cost, quality needs, etc);
- Manage inventory across the office, Facility, or network;
- Purchase Products corporate or network wide;
- Capture useable data to help make better, more informed decisions;
- Reduce individual ordering preferences; and
- Establish policies and procedures for purchasing supplies.

Customers will benefit from the ability to:

- Track and identify purchase trends and patterns related to:
  - On-hand inventory;
  - Product usage;
  - Inventory valuation;
  - Par levels; and
  - Chargeable items.

- View supply utilization over time by individual, department, provider and Facility;
- Track, manage, and analyze purchase and inventory data to help make more informed decisions;
- Simplify and streamline workflow using bar-code technology;
- Build and consolidate requisitions for multiple vendors in one system; and
- Access dashboards to quickly and easily view important inventory information.

McKesson ScanManager<sup>SM</sup>. McKesson ScanManager is an inventory management system that puts the power to control costs in the customer's hands. This bar-code technology helps users to assemble orders and compile supply management information. Orders originate in the storeroom, where users scan bar codes to compile orders to be sent over the Internet. Equalis can check orders online to determine Product availability and shipping status. Creating orders at the source helps organize both storeroom and ordering processes, reducing costs by reducing inventory fluctuations that cause overstocks, understocks and aging inventory. Management reports generated by the McKesson ScanManager system help Equalis analyze purchasing trends and compile budget and forecasting information. This application may be subject to fees associated with installation and hardware.

McKesson ScanManager Plus<sup>SM</sup>. McKesson ScanManager Plus is a fee-based, multi-Supplier inventory management system that works with McKesson ScanManager to provide the following:

- Multi-Supplier supply-chain purchasing;
- Inventory management;
- Single item master across multiple facilities;
- Online receiving;
- Contract and price management;
- EDI, e-mail and auto-faxing of purchase orders;
- Data upload tool (easy item master maintenance); and
- McKesson SupplyManager integration for real-time item price and availability.

#### OK to Pay Service<sup>SM</sup>

The OK to Pay service within McKesson SupplyManager allows Equalis to:

- Review invoices and mark as OK to Pay;
- Check invoice status;
- Run reports regarding open and closed invoices;
- Allow acceptance and approval of invoices once Products are received;
- Set permissions and control who has authority to approve invoices; and
- Export to Excel or import to Equalis's accounts receivable program.

#### Bulletin Board Feature

McKesson SupplyManager also has a new Bulletin Board feature, which allows social media style messaging by authorized Equalis employees to help communicate specials, product changes or process improvements.

#### See, Switch and Save<sup>SM</sup>



See, Switch and Save through McKesson SupplyManager provides Equalis opportunities to save on all products purchased. During the ordering process, look for the icon which directs the customer to cost effective alternatives. This new feature puts savings in the customer's hands with each and every order.

#### Other Technologies – Electronic Interface

MMSGGS is active in electronic data interchange ("EDI") and cXML development and implementation. In support of this, MMSGGS has an extensive array of electronic systems. These include a comprehensive electronic order entry ("EOE") system, support of electronic funds transfer ("EFT") and implementation of EDI ASC X12 transaction sets. Punchout technology is available for EDI and cXML utilization.

### 4.3. Differentiators

#### 4.3.1. Differentiators. Describe what differentiates your company from its competitors.

MMSGGS appreciates the opportunity to highlight why we are the right choice to be a primary vendor for your medical supplies. With its nationwide logistics network, unparalleled information technology and the strong financial backing provided by its parent company, MMSGGS is uniquely positioned to meet the increasingly complex supply needs of customers across the primary care and extended care markets.

Customers not only benefit from the breadth of our medical supplies but can also leverage the depth of our experience and expertise to help reduce supply costs, streamline workflow and improve your business.

McKesson Medical-Surgical Inc. has strategically invested into the local, state and federal government markets by reforming one of our entities to McKesson Medical-Surgical Government Solutions LLC ("MMSGGS"). This separate entity was created to signify our increased focus and dedication to our government customers with experienced and specialized teams to support their unique needs. Our partnership with state and local government customers in addition to an expansive field and inside sales team sets MMSGGS apart as a key market leader in this government sector. MMSGGS customers are supported by a Government Sales Administrative team as well as a Government Customer Service team. MMSGGS also has a unique dedicated Government Corporate Account Director team that focuses on each region and meets with state and local officials at the highest levels to streamline processes that demonstrate our operational expertise. These key principles ensure that MMSGGS has the best in class operational excellence, dedicated government support teams and sales teams. The unique organization design ensures prompt response and attention to detail for pricing, reporting and invoicing. MMSGGS's overall commitment to the Government sector is a differentiator that sets us apart from other distributors. As an organization, we will continue to leverage our network to grow and expand our value proposition for our government customers.

#### **Advanced Distribution Solutions**

MMSGGS offers flexible delivery options. MMSGGS uses a variety of carriers depending on the unique needs of each order, including: UPS, McKesson Truck and other common carriers. Whenever possible, locations can receive deliveries via McKesson Truck using a dedicated driver on a scheduled delivery day worked out mutually with Member and MMSGGS.

Our distribution centers are available Monday through Friday, excluding holidays, to ship products. Generally, stocked items shipping to a Member received before 1 p.m. local distribution center time will ship the same day. Standard delivery is Monday through Friday (excluding holidays). While a time is not guaranteed, delivery for stock items generally occurs within 1-3 days ARO. MMSGGS orders for locations in Alaska usually arrive within 3 to 5 business days from the day the order ships. MMCAP Member pricing will include freight (excluding Alaska and Hawaii where standard shipping charges will apply).

#### **Business Management Solutions**

##### Sales Support





Equalis will be supported by a dedicated team led by one Vice President of Government Sales, ■■■ Field Sales Directors, multiple Inside Government Sales Account Managers and ■■■ Project Manager. MMSGGS has experienced Sales Team members that provide service to government customers and GPO customers today. MMSGGS Sales Support will consult with MMCAP on the customization and implementation of a full supply chain program designed to meet business requirements. They will be responsible for coordinating all activities and communications with necessary supporting departments and with the greater vendor community. Organization understands the unique demands of the extended care and primary care markets and is committed to delivering high-quality medical supplies.

Other value-added services or technology that sets MMSGGS apart include:

- Technology Support
- Clinical Support
- ORBITS®
- ScanManager<sup>SM</sup>
- SupplyIQ<sup>SM</sup>
- Expense Management
- Flexible Formulary Management

For additional detail regarding the services and technology solutions we offer, please see Section IV, Proposal of Services.

### **Comprehensive Product Offering**

MMSGGS has existing relationships with more than ■■■ manufacturers and therefore can offer an extensive variety of products. Stocking an item in a distribution center is based on the manufacturer's requirements and frequency of ordering patterns. If the products are available for distribution, Equalis Member's Account Manager can assist with the stocking potential in our distribution center.

### **Quality Products**

MMSGGS is a distributor that takes the time to understand the unique needs of each customer. MMSGGS seeks out new and innovative products as they come on the market and helps identify which Products are best for Equalis Members. Offering value, quality and choice, we take the best possible care of our customers, so the customer can take the best possible care of its patients.

In addition, MMSGGS provides one-stop shopping with an impressive range of products and services. Equalis Members will benefit from the convenience of ordering all its products from one place, receiving one invoice and remitting one payment. Products include:

- Medical-surgical products and equipment
- Laboratory solutions
- Housekeeping products
- Office Supply products
- McKesson Brand Products

### **McKesson Brand**

For more than 150 years, service and innovation have been the hallmark of McKesson's success. Today, McKesson continues to build on that tradition with the branded product lines, McKesson Brand. Each McKesson Brand product is manufactured to meet stringent quality standards and carries a 100% Satisfaction Guarantee. McKesson's strategic combination of quality and competitive pricing help Equalis Members make better product selections.

### **Catering to Laboratory Customers**

McKesson Medical-Surgical Inc. specializes in providing innovative products for the clinical laboratory, to include sites focused in primary care, national accounts, acute and non-acute sites in the health system and boasts a comprehensive product line, provided by more than ■■■ suppliers in the clinical and anatomical laboratory space.

We're committed to delivering on four pillars:

- An extensive selection of quality products to give you more choice
- Distribution you can count on with reliable and flexible delivery options

- Cutting-edge lab enhancement solutions designed to manage costs and drive efficiencies
- Unmatched support in the way of expertise, consultants and resources to help you optimize your lab operations

With our service model, Intermountain will receive several dedicated laboratory resources to help navigate the complex landscape of laboratory products, solutions, and technology. In addition to these resources, McKesson Medical-Surgical will offer to sequester specific lot numbers of reagent, controls or calibrators as required by Intermountain. Reducing the number of lot number changes will help reduce operational costs in the laboratory. McKesson Medical-Surgical is dedicated to handling the logistics associated with new laboratory instrumentation placements and implementation.

This team includes a Director of Strategic Accounts specifically focused on Health System Laboratory, a Laboratory Implementation Team, and access to MedSol, McKesson Medical-Surgical's own laboratory consultant group.

#### Strategic Accounts Team

McKesson Medical-Surgical provides distribution and other services to [REDACTED] accounts nationwide. In addition to the individual customer commitment, McKesson Medical-Surgical engages strategic account teams to address the needs of the national and corporate account, the acute, non-acute and alternate sites of the health system and supports the mid-level, community, rural and critical access hospital setting. McKesson employs a leading team of highly skilled professionals to guide the customer in product, formulary, standardization, efficiency of process and GPO pricing and contracting. Access to McKesson Medical-Surgical's Strategic Accounts Team is available at no additional charge to Intermountain facility.

Laboratory Implementation Team ("LIT"). McKesson Medical-Surgical is a distributor that provides extensive assistance to the customer through its implementation professionals with the purchase of large laboratory equipment and platforms. McKesson Medical-Surgical has a remote-based team of project management laboratory specialists that will manage a streamlined and supported installation process, facilitate space readiness for equipment installation and help ensure that 100% of required product is delivered on time and stored properly in the laboratory for the validation process. Access to McKesson Medical-Surgical's LIT services is available at no additional charge to Intermountain facility.

#### MedSol Laboratory Consulting

MedSol's regionally based team of licensed professionals have industry leading expertise in all aspects of laboratory, compliance and laboratory development. McKesson Medical-Surgical is pleased to offer a full line of support and ongoing compliance with expertise delivered in financial feasibility, laboratory setup and layout with project management throughout the process, CLIA, State and Accreditation Agency compliant policy and procedure, guidance on connectivity, readiness for survey and ongoing programs for regulatory management. There may be fees associated with this program depending upon the size and scope of the consulting project.

## 4.4. Additional Features & Offerings

4.4.1.	<b>Value Add.</b> Describe any other features or capabilities relating to medical, surgical, laboratory, pharmaceuticals supplies and equipment and related services that would improve or enhance the Program. Your response may include, but is not limited to, ecommerce capabilities, marketing capabilities, green initiatives, and technological advancements.
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In addition to the responses provided in Section 4.3.1, McKesson is able to provide the supplemental Value Add offerings detailed below including SupplyManager, Biomed solutions and green initiatives. Please note that any Value Adds detailed in MMSG's proposal response may require an additional agreement and/or a fee.

#### SupplyManager

SupplyManager<sup>SM</sup>, our web-based ordering platform, is available to those who prefer an online ordering option. SupplyManager allows you to place bulk or patient-specific orders to be shipped directly to a customer's facility or a patient's home.



SupplyManager provides real-time information on the availability of products, as well as, order status information. SupplyManager includes features, such as, creating custom order lists, determining product usage, tracking 12-month trends and the ability to access reports with a click of a button.

SupplyManager supply ordering templates can be customized to your unique requirements to support formulary management, assist with utilization and help control supply spend.

Many reports are available through SupplyManager<sup>SM</sup>; this allows the location to also customize the report to fit their unique needs. The reports are accessed using the Reports Tab and many can be exported to Microsoft® Excel.

Some examples are:

- Material Usage: 24 months of usage by manufacturer and item, with quantity shipped by account, ship to, and total sales.
- Item History 12 Month Trend: View Item History total dollars by ship to and item number.
- Invoice Order: Invoice Order report by customer including purchase order, invoice#, order#, ship to#, order totals, tracking number and shipper information.
- Drill to Invoice: Logical drill-down to invoice line detail during selected month and year (of last 24 months).
- View Invoice: View a specific invoice by purchase order number or invoice number.
- Invoice Line Detail: View invoice line detail during selected time period in last 24 months, with options to customize and save your own report.
- Purchase Order Detail: View purchase order detail during selected time period in last 24 months.
- Invoice Tracking: Shipment tracking report by patient including invoice number, tracking number, shipper information, and order totals.
- Account Balances: Account balances, aging, date of last sale, date of last payment, and last payment amount with access to open invoices and credits not taken. Access current and past statements, view, print and email.
- View Packing Slip: View packing slip by invoice, purchase order, or order number.
- SDS Reporting: Review items and download SDS sheets based on purchase history.

### Biomed Solutions Offering

McKesson Medical-Surgical Minnesota Supply Inc. ("MN Supply") is pleased to present Equalis with the following summary detailing its Biomed solutions offering. MN Supply is a national provider offering comprehensive supply chain management solutions for medical devices, service, technology and inventory management. Our services can be tailored to suit providers of any size and may help provide lower their costs, increase efficiency, improve compliance and reduce risk.

Our asset management solution combines products, service and technology to deliver a comprehensive supply chain management experience. MN Supply offers asset management resources that include a dedicated team to monitor your inventory and ensure you have patient-ready devices on-hand. We will also take care of device delivery, retrieval, service, warehousing, and if needed, manage your user database and train your clinical staff.

### Large equipment inventory

Get access to 70,000+ devices and over 125 different device models:

- Sales, leasing and rentals available;
- Device types include infusion devices, enteral pumps, ventilators and more; and



- Training opportunities available for clinical staff

### **McKesson OneTrack™ - Equipment tracking technology**

Get real-time visibility of the status of your assets with McKesson OneTrack:

- Easily locate equipment that needs service;
- Reduce equipment and operational costs;
- Support improved utilization; and
- Customer data loads & on-demand reporting is available

### **Dependable equipment service**

Rely on McKesson to service your devices & have patient-ready equipment:

- Preventative maintenance and repairs;
- Device recall support;
- Seven network locations located from coast-to-coast; and
- >150 ISO-certified technicians

### **Supply chain management**

Reliable National Distribution Network Offering

- A-to-Z inventory of bulk product supplies for your pharmacy; and
- Quick and reliable patient home delivery product shipments

### **Green Initiatives**

Today's most pressing environmental challenges impact all of us, both as individuals and as business leaders. McKesson Medical-Surgical's dedication to creating a sustainable healthcare system is mirrored by our commitment to run our operations in an environmentally sustainable way, both stem from our commitment to help create a healthier world.

We aim to conduct business in a way that's sustainable for the company and the planet. By integrating environmental sustainability principles into the way we do business, we hope to ensure a healthy, vibrant company and planet for generations to come.

#### **McKesson Employee Environmental Councils**

Environmental Councils organized throughout the company seek opportunities to mitigate the environmental impacts of business operations in the communities where we conduct business. For those environmental projects that impact the entire company, formal executive led initiatives complement the grassroots efforts of local councils.

McKesson's green initiatives focus on:

#### **Transportation & Emissions**

We are trying to curb emissions from business travel with the introduction of new technology. At large business locations, we have installed telepresence technology that allows people to meet face-to-face via video even if they are thousands of miles apart. When employees book travel between two cities with telepresence centers, our corporate travel site reminds them that an alternative to flying is to use the telepresence technology.

#### **Recycling & Waste**

McKesson has established recycling programs in the majority of our locations and offers desk side recycling at our headquarters facility. We also strive to source recycled products whenever possible.

### Energy Efficiency

McKesson's headquarters building's ENERGY STAR rating is an 84, which means it is in the top 25% of the nation in terms of energy efficiency. We are currently working to secure LEED (Leadership in Energy and Environmental Design) certification for our headquarters building and for a new distribution center under construction. The LEED Green Building Rating System™ is the nationally accepted benchmark for the design, construction, and operation of high performance green building.

### Encouraging Sustainability

We strive to encourage environmental sustainability not only with our employees but also with our business partners where appropriate. As an example, employees in Texas have implemented a ride sharing program to lessen their personal environmental impacts. McKesson has also worked with several customers to understand the environmental impacts of our product offerings and we are incorporating environmental standards in our request for proposals template for suppliers.

4.4.2.	<p><b>Other Capabilities.</b> Identify and describe any other products and/or services your company offers outside the primary scope of this RFP that can be made available to Equalis Group Members. Include proposed pricing for any additional products or services your company offers in <b>Attachment B – Cost Proposal</b> in accordance with the directions provide in <b>RFP Section 2.3 - Cost Proposal &amp; Acceptable Pricing Formats.</b></p>
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McKesson Inventory Manager<sup>SM</sup> is a Web-based supply management solution that will allow Equalis to build and consolidate requisitions for all vendors in one place, with multiple options for creating purchase orders. Equalis can identify and track supplies through the use of par/minimum-maximum levels while identifying supplies not being utilized to reduce expenses and promote Product standardization. This proven barcode technology can take physical inventory count at locations, generate orders and/or charge patients for supplies. Equalis will save time and reduce manual processes, with extensive reporting capabilities that help capture Equalis's real costs and better manage the business through cost management and inventory control.

McKesson Inventory Manager provides the following services:

- Consolidate and place orders for multiple vendors;
- Standardize inventory (by vendor, Product, cost, quality needs, etc);
- Manage inventory across the office, Facility, or network;
- Purchase Products corporate or network wide;
- Capture useable data to help make better, more informed decisions;
- Reduce individual ordering preferences; and
- Establish policies and procedures for purchasing supplies.

Equalis' business will benefit from the ability to:

- Track and identify purchase trends and patterns related to:
  - On-hand inventory;
  - Product usage;
  - Inventory valuation;
  - Par levels; and
  - Chargeable items.
- View supply utilization over time by individual, department, provider and Facility;
- Track, manage, and analyze purchase and inventory data to help make more informed decisions;
- Simplify and streamline workflow using bar-code technology;
- Build and consolidate requisitions for multiple vendors in one system; and
- Access dashboards to quickly and easily view important inventory information.



McKesson ScanManager<sup>SM</sup>. McKesson ScanManager is an inventory management system that puts the power to control costs in Equalis's hands. This bar-code technology helps users to assemble orders and compile supply management information. Orders originate in the storeroom, where users scan bar codes to compile orders to be sent over the Internet. Equalis can check orders online to determine Product availability and shipping status. Creating orders at the source helps organize both storeroom and ordering processes, reducing costs by reducing inventory fluctuations that cause overstocks, understocks and aging inventory. Management reports generated by the McKesson ScanManager system help Equalis analyze purchasing trends and compile budget and forecasting information. This application may be subject to fees associated with installation and hardware.

McKesson ScanManager Plus<sup>SM</sup>. McKesson ScanManager Plus is a fee-based, multi-Supplier inventory management system that works with McKesson ScanManager to provide the following:

- Multi-Supplier supply-chain purchasing;
- Inventory management;
- Single item master across multiple facilities;
- Online receiving;
- Contract and price management;
- EDI, e-mail and auto-faxing of purchase orders;
- Data upload tool (easy item master maintenance); and
- McKesson SupplyManager integration for real-time item price and availability.

#### OK to Pay Service<sup>SM</sup>

The OK to Pay service within McKesson SupplyManager allows Equalis Members to:

- Review invoices and mark as OK to Pay;
- Check invoice status;
- Run reports regarding open and closed invoices;
- Allow acceptance and approval of invoices once Products are received;
- Set permissions and control who has authority to approve invoices; and
- Export to Excel or import to Equalis Member's accounts receivable program.

#### Bulletin Board Feature

McKesson SupplyManager also has a new Bulletin Board feature, which allows social media style messaging by authorized Equalis employees to help communicate specials, product changes or process improvements.

#### See, Switch and Save<sup>SM</sup>

See, Switch and Save through McKesson SupplyManager provides Equalis Members opportunities to save on all products purchased. During the ordering process, look for the icon which directs the customer to cost effective alternatives. This new feature puts savings in the customer's hands with each and every order.

#### Other Technologies – Electronic Interface

MMSGs is active in electronic data interchange ("EDI") and cXML development and implementation. In support of this, MMSGs has an extensive array of electronic systems. These include a comprehensive electronic order entry ("EOE") system, support of electronic funds transfer ("EFT") and implementation of EDI ASC X12 transaction sets. Punchout technology is available for EDI and cXML utilization.

## 4.5. Warranty

4.5.1.	<p><b>Warranty.</b> Provide a copy of the manufacturer's warranty. If required, please attach the warranty as an attachment as instructed in <b>Section 2.3</b> of this document. Describe notable features and/or characteristics of the warranty that a public sector customer would find interesting or appealing. How long is the warranty? Please indicate, and describe if applicable, if there are any optional extended warranty coverage available to Members. How does your warranty coverage compare to that of your competitors? Pricing related to the any extended warranty options must be included in <b>Attachment B – Cost Proposal</b>.</p>
<p>MMSGGS is not the manufacturer of goods and any available warranty will be offered through the manufacturer. MMSGGS may assist Equalis Members with obtaining available warranty documentation from the manufacturer of products.</p>	
4.5.2.	<p><b>Claims.</b> Describe your warranty claims process.</p>
<p>MMSGGS's Return Policy is detailed in Section 5.2.3. For warranty claims outside of product returns, the Equalis Member should reach out to the manufacturer as MMSGGS is not the manufacturer of products. MMSGGS may assist members with obtaining available warranty documentation from the manufacturer.</p>	





5.1.3.

**Stocking Requirements.** Describe your ability to bring new or custom products into stock. Your response should include, if applicable, your requirements for stocking standard and specialty products.

MMSGGS provides the highest levels of service and product selection to thousands of customers from coast to coast. MMSGGS supports its customer base with more than [REDACTED] worth of inventoried products, consisting of [REDACTED] SKUs, across its national network. Through relationships with thousands of Suppliers, MMSGGS is able to efficiently deliver a broad range of medical-surgical products to its customers.

Customers can work with their Sales Representative to identify alternate items if MMSGGS is aware of any substitute items. If the customer does not wish for an alternate product, the Sales Representative can work with internal teams to determine if MMSGGS has an existing relationship with that manufacturer to bring approved items into stock. Some items such as furniture or equipment may be setup with McKesson item numbers; however, the products may remain drop-ship items. If MMSGGS does not have an existing relationship with the manufacturer of the product the customer desires, MMSGGS may establish a relationship with approved suppliers to bring an item into stock.

Once the manufacturer item is approved and ready to be setup in the MMSGGS system, a request is submitted by the Sales Representative to a specific internal support team to establish the system information and create a McKesson Item number for the product.

5.1.4.

**Supply Chain.** Identify all other companies that will be involved in processing, handling, or shipping the products or services to the Equalis Group Member.

MMSGGS may use common carriers such as UPS or FedEx to deliver product to the Equalis Member. MMSGGS may also utilize McKesson Truck to deliver.

5.1.5.

**Fill Rates.** Provide fill rates and average delivery timeframes met by specific distribution centers.

MMSGGS works to meet its historical Fill Rate of ninety-eight percent (98%) ("Minimum Fill Rate Commitment") for Products on an Equalis Member Facility's Menu, subject to the following limitations:

- The Minimum Fill Rate Commitment shall not apply to an Equalis Member Facility until forty-five (45) days after the later of: (i) the effective date of an Agreement; (ii) the date on which such Equalis Member Facility has furnished to MMSGGS reasonably accurate estimates of its Product usage; (iii) the complete implementation of an implementation plan; or (iv) the date the Menu and projected usages are agreed upon.
- Products that: (i) are new to the market or new to MMSGGS; or (ii) have not been previously ordered by an Equalis Member Facility shall require a forty-five (45) day start-up period.
- MMSGGS shall have at least a six (6) week start-up period for bid transition.
- The Minimum Fill Rate Commitment for an Equalis Member Facility shall apply only to an item on the Menu created for such Equalis Member Facility.
- The orders placed by an Equalis Member Facility from the Menu are consistent with the projected usage for such Products provided by an Equalis Member Facility to MMSGGS's local servicing distribution center. The Menu and projected usage information shall be updated at least every three (3) months.
- MMSGGS shall have forty-five (45) days from the date that the Menu is agreed upon to adjust MMSGGS's inventory levels to accommodate the Menu and an Equalis Member Facility's projected usage.
- The Minimum Fill Rate Commitment calculation shall not include: (i) backorder on an Equalis Member Facility's purchases that exceed the maximum monthly order quantities established by each Equalis Member Facility, and MMSGGS in creating the Menu; (ii) orders not placed via McKesson SupplyManagerSM or other EOE system or e-commerce system accepted by MMSGGS; (iii) backorders due to or caused by the unavailability of Products from the Supplier not due to the fault of MMSGGS; or (iv) delays by common carriers.



- In satisfaction of its Minimum Fill Rate Commitment obligation, MMSGs may provide: (i) any substitute item authorized by an Equalis Member Facility for any Menu item that is not available for delivery when ordered; or (ii) any other substitute authorized by an Equalis Member Facility prior to delivery.

MMSGs defines "filled" as a customer purchase order line where MMSGs fulfilled all units requested on the previously agreed upon delivery date.

**5.1.6. On Time Delivery Rate.** Provide your average on-time delivery rate.

Our distribution centers are available Monday through Friday, excluding holidays, to ship products. Orders received prior to the designated cut-off time will ship the same day or on the location's scheduled shipping day

- Stocked items for orders shipping to your locations received before 1 p.m. local distribution center time will ship the same day or on the location's scheduled shipping day.
- Our distribution centers typically provide one day ground delivery to 93% of the US population residing within the continental United States and 100% within 2 days.

**5.1.7. Expedited Orders.** Describe your approach to handling emergency orders and/or service. Your description may include, but is not limited to, response time, breadth of service coverage, and service level.

MMSGs will work to accommodate emergency order processing requests whenever possible. Order size and time of day the request is received are factors used in determining if the request can be shipped after the standard cut-off time. Expedited delivery is possible; however, additional freight charges will be incurred. The actual price of expedited service is based on several factors such as number of boxes, weight and ship to location.

## 5.2. Customer Service

**5.2.1. Customer Service Department.** Describe your company's customer service department & operations. Your description may include, but is not limited to, hours of operation, number and location of service centers, parts outlets, number of customer service representatives. Clarify if the service centers are owned by your company or if they are a network of subcontractors.

Equalis Members will be given a toll-free phone number which automatically routes the call to the next available individual within your dedicated team of customer service representatives. Customer service also has a toll-free fax number and email available if this is a preferred method of communication. This highly skilled customer service group is dedicated to serving the needs of our government customers and is available to handle all order fulfillment needs, such as:

- Help locate products
- Provide order status information
- Place orders

Hours of operation are: 8:00 a.m. to 8:00 p.m. EST, Monday through Friday (excluding holidays).

**5.2.2. Complaint Resolution.** Describe your customer complaint resolution process. Describe how unresolved complaints are handled.

Issues reported are promptly resolved by our customer service department according to standard operating procedures and metrics to quickly and efficiently resolve complaints, disputes and grievances. The Customer Service Supervisors help manage workflow so calls are answered and issues are handled timely or are there to assist if an issue requires escalation. The Director of Customer Service is also available to help ensure prompt resolution to situations.



5.2.3.

**Product Returns.** Describe your product return policy and procedures. Please include any restocking fees in Attachment B – Cost Proposal.

Returned Goods. Subject to applicable law, Seller will process returns in accordance with its Returned Goods Policy currently in effect, or as otherwise agreed to by Seller and Customer. Seller's current Return Good Policy is as follows:

- All requests for credits for Products must have a return authorization number issued by Seller's customer service department or Seller's automated customer service platform (e.g., McKesson SupplyManager™). Credit for Products not stocked in Seller's distribution center that are greater than \$500 require additional approval by Seller.
- Seller will issue a full credit for any Product returned due to Seller error (i.e. shipping error, damage in transit) or due to a recall or defective condition.
- The following Products are not eligible for a credit, unless the return is due to fault of Seller, recall, or defective condition: (i) special order Products; (ii) custom Products; (iii) Products identified as non-returnable in McKesson SupplyManager; (iv) Products not available for general or unrestricted distribution; (v) nonsellable Products. Nonsellable Products include, but are not limited to, Products that are open, damaged, past minimum expiration date for resell, cold chain hazmat, controlled pharmaceuticals, or discontinued by the manufacturer, or that contain markings not made by Seller.
- Seller will issue a credit as follows for McKesson brand products: if returned within 180 days – Full amount; if returned after 180 days – No Credit. Non-consumable McKesson brand products must be sent back to Seller to be eligible for a credit and are subject to inspection by Seller before credit is issued to Customer. Consumable McKesson brand products should not be sent back to Seller's distribution center.
- Seller will issue a credit as follows for all other eligible Products:
  - Products stocked in Seller's distribution center that are less than \$15: if returned within 180 days – Full amount; if returned after 180 days – No Credit
  - Products stocked in Seller's distribution center that are \$15 and greater: if returned within 30 days – Full amount; if returned between 30-180 days – Full amount, less a restocking fee; if returned after 180 days – No Credit
  - Products NOT stocked in any of Seller's distribution centers that are less than \$100 – No Credit
  - Products NOT stocked in any of Seller's distribution centers that are \$100 and greater: if returned within 180 days – Full amount, less Seller and vendor restocking fees; if returned after 180 days – No Credit
  - Products stocked in a Seller distribution center that are \$15 and greater and Products NOT stocked in a Seller distribution center that are \$100 and greater must be sent back to Seller to be eligible for a credit, and are subject to inspection by Seller before credit is issued to Customer. All other Products should not be sent back to Seller's distribution.

### 5.3. Order & Invoice Processing; Payment

5.3.1.

**Purchasing Options.** Describe the different channels in which this contract will be made available to Equalis Group Members. Your response should include, but is not limited to, whether your organization will serve as the single point of contact or if the contract will be made available to your dealers and reseller to serve as the single point of contact.

MMSGs will use this contract with state and local customers that are in the non-acute market.

5.3.2.

**Order Process.** Provide relevant information regarding your ordering process including your company's on-line catalog/ordering website and the ability for Members to verify they are receiving contract pricing?

McKesson SupplyManager is MMSGs's Web-based application that will help Equalis Group Member to access and manage pharmaceutical and medical-surgical product ordering and reporting information. This single, integrated Internet portal, which can be accessed at <http://mms.mckesson.com>, provides customers the ability to select, order and track Products. Utilization of this application creates a one-stop shop for Equalis Members to purchase Products. MMSGs verifies on-boarding of new customers to help ensure compliance with contractual pricing and performs random, periodic price reviews. Quarterly Business Reviews are also used to review general contract compliance.



<b>Invoice Process.</b> Describe your company's invoicing process.		
<p>MMSGGS offers multiple invoice options designed to fit your unique requirements, such as receiving invoices electronically, paper invoices via mail or paying invoices via a credit card. The invoicing method can be selected during the account setup process. The standard invoice option designated during the account setup process is receiving paper invoices. Once product ships from MMSGGS's distribution center, an invoice generates or a credit card is charged. The method of invoicing chosen determines the exact mode the invoice is sent.</p>		
<b>Payment.</b> What is your standard payment terms? What methods of payment does your company accept?		
<p>MMSGGS standard payment terms are net 30 days from the invoice date. We accept credit cards, checks and electronic payments.</p>		
<b>Financing.</b> Does your company offer any financing options or programs?		Yes No
Click here to enter response.		

#### 5.4. Members Contracting for Services

5.4.1.	<b>Customer Set Up.</b> Once an Equalis Group Member decides to accept your company's proposal for services as described in this RFP, what is the process for the Member to become a customer?	
<p>In order to properly implement your business, we typically require 30-90 days from the time of award. This allows time to set up account numbers, load pricing and contracts, increase inventory in our distribution centers and implement the desired technology approach. At time of award, we will work with Equalis to create a detailed, mutually agreed upon timeline for implementation including major milestones and the resources necessary. MMSGGS has previous experience on-boarding large customers and GPOs. We have resources dedicated to the on-boarding process to assist in a seamless integration.</p> <p>Account setup is one of the tasks completed during the implementation process. MMSGGS provides a credit application to the Member or to a contact designated by Equalis. This document provides the information needed to create an account number, such as shipping and billing addresses. Along with the credit application, other documents may be needed from Member, such as tax exempt certificates.</p>		
5.4.2.	<b>Customer Agreements.</b> Does your company have standard customer agreements? If yes, please provide copies of any standard customer agreements and provide a response to question 6.3.3.	Yes No
<p>McKesson standard agreements that may be required between Equalis and/or Equalis Member are proprietary and confidential. McKesson can provide agreements to Equalis upon award, if requested.</p>		
5.4.3.	<b>Contracting.</b> What is the process for reviewing, negotiating, and finalizing any customer-specific contract terms or requirements? Approximately how long does the contracting process take to complete (i.e., secure a fully executed contract document)? What is the typical term length of your customer agreements?	
<p>If awarded, MMSGGS would request timely award notification sent to the point(s) of contact indicated in the proposal cover letter. Once award notification is received, MMSGGS will reach out to Equalis to discuss the proposal response and what parties can agree to. The process typically takes anywhere from one to two weeks to complete the contracting process if there are no new and/or changed terms included during the award process. The typical length of agreements can vary. Typically, with larger agreements such as a GPO there is a five year term that includes a one-year base period with four one-year renewal options at mutual consent of all parties.</p>		



## Section 6. Go-To-Market Strategy

### 6.1. Bidder Organizational Structure & Staffing of Relationship

6.1.1.	<b>Primary Point of Contact for Equalis Group.</b> Who is the individual that will serve as Equalis Group's primary point of contact for developing and implementing a go-to-market strategy to increase Program participation by local governments and educational institutions across the country? Include the individual's name, title, a description of their role, and a resume or biography.	
John Campbell, Vice President of Government Sales. John oversees the McKesson Medical Surgical field sales government team that manages the company's interactions and relationships with Federal, State and Local customers.		
6.1.2.	<b>Key Staff.</b> Provide the names, roles, and tenure with the company of other key staff members who will be working with Equalis Group in such areas as sales management, field sales, marketing, collateral development and approval, accounting, and reporting.	
Please see the response to Section 4.3.1 for key staff that will support Equalis Group.		
6.1.3.	<b>Organizational Chart.</b> Provide an organizational chart describing the roles and reporting relationships of senior management and departments or divisions within your company.	
Please see Attachment F, McKesson Enterprise Organizational Chart.		
6.1.4.	<b>Sales Organization.</b> Provide a description of your sales organization, including key staff members, the size of the organization, in-house vs. third-party sales resources, geographic territories, vertical market segmentation, segmentation by account size, inside sales, field sales, and how sales representatives are compensated (e.g., on gross revenue, profitability, or some other formula).	
MMSGs may provide additional detail upon award if requested; however, please also refer to the response in Section 4.3.1.		

### 6.2. Contract Implementation Strategy & Expectations

6.2.1.	<b>Five (5) Year Sales Vision &amp; Strategy.</b> Describe your company's vision and strategy to leverage a piggybackable Master Agreement with Equalis Group to win and retain local government and educational institution business over the next five (5) years. Your response may include, but is not limited to; the geographic or public sector vertical markets being targeted; your strategy for acquiring new business and retaining existing business; how the contract will be deployed with your sales team; and the time frames in which this strategy will be implemented.		
McKesson Medical Surgical Government Solutions is committed to growth in the government space and it is considered one of our four strategic pillars. With that we have also invested heavily to support this growth. Piggyback agreements are a key component to that growth that our sales force continues to be trained on. If McKesson is awarded a contract with Equalis, we will be promptly training our sales force on how to use the contract to sell. Additionally, we will be scheduling time between our government field team and their Equalis counterparts to coordinate strategies to win business.			
6.2.2.	<b>Sales Team Incentives.</b> Will your sales team be equally incentivized to leverage the Equalis Group Master Agreement as compared to any other traditional sales process or cooperative contract?	Yes	No
MMSGs does not disclose sales compensation information.			

**6.2.3. Revenue Objectives.** What are your revenue objectives in each of the five (5) years of the piggybackable Master Agreement?

MMSGGS will work closely with Equalis to grow this contract to its fullest potential.

### 6.3. Administrative Fee & Reporting

6.3.1.	<b>Administrative Fee.</b> Equalis Group generates revenue as a percentage of the Winning Supplier's revenue from local government and educational institutions purchasing products and services from Winning Supplier through the piggybackable Master Agreement between the Winning Supplier and Equalis Group. The Administrative Fee is designed to align the interests of the Winning Supplier and Equalis Group – Equalis Group only generates revenue when the Winning Supplier generates revenue based on Program utilization by current and future Members. The recommended Administrative Fee for this Program is two percent (2%) of the Winning Supplier's Program revenue, payable upon invoice issued by the Winning Supplier to participating Equalis Group Members. Confirm that, if selected as the Winning Supplier of this RFP process, Bidder agrees to this Administrative Fee structure. Check the "Negotiate" box to negotiate an alternative Administrative Fee structure.	Agree
		Negotiate
<div style="background-color: black; height: 20px; width: 100%;"></div>		
6.3.2.	<b>Sales &amp; Administrative Fee Reporting.</b> Equalis Group requires monthly reports detailing sales invoiced the prior month and associated Administrative Fees earned by the 15 <sup>th</sup> of each month and reports detailing the prior calendar year's sales invoiced and Administrative Fees earned within thirty (30) days following the end of the calendar year. Confirm that your company will meet or exceed this reporting requirement. If your company cannot meet this reporting requirements schedule, explain why, and propose an alternative time schedule for providing these reports to Equalis Group.	<div>Yes</div> <div>No</div>
<a href="#">Click here to provide additional commentary, if necessary.</a>		

