

## MONTEREY COUNTY BOARD OF SUPERVISORS

<b>MEETING:</b>	<b>March 13, 2012</b>	<b>AGENDA NO.:</b>
<b>SUBJECT:</b>	Authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment No. 1 to the Agreement (A-11723) with McKesson Technologies, Inc. for Horizon Medical Imaging Radiology, Picture Archiving and Communication System (PACS) and related systems services at NMC in an amount not to exceed \$2,749,633 in the aggregate (an increase of \$149,663) for the period February 28, 2012 to June 30, 2015.	
<b>DEPARTMENT:</b>	Natividad Medical Center	

### **RECOMMENDATION:**

It is recommended the Board of Supervisors Authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment No. 1 to the Agreement (A-11723) with McKesson Technologies, Inc. for Horizon Medical Imaging Radiology, Picture Archiving and Communication System (PACS) and related systems services at NMC in an amount not to exceed \$2,749,633 in the aggregate (an increase of \$149,663) for the period February 28, 2012 to June 30, 2015.

### **SUMMARY/DISCUSSION:**

NMC is executing the second phase of its Picture Archive and Communication System (PACS) which consists of computer hardware and software assembled for the storage, distribution and presentation of digital radiographic images. By converting the entire Diagnostic Imaging Department to a digital environment this allows for distributing images off-site i.e. physicians offices, and improves image sharing within the hospital. Monies have been previously approved for the overall Picture Archive & Communication Systems Project. This Amendment will allow for:

- **Quality Improvement Software:** This software will help achieve meaningful monitoring of Electronic Medical Records usage in Diagnostic Imaging consistent with State and Federal guidelines for storage, distribution and data protection.

#### **Quote - H11NTV007-03 - \$38,612**

- This is for integrating Quality Assurance Application (Peervue) with Picture Archive & Communication System.
  - Additional Technologist Workstations, Monitors and Document scanners.
  - Web server to provide Picture Archive & Communication System access outside the hospital to referring physicians.
- **MediTech Integration:** NMC will utilize additional interfaces and hardware from McKesson in order to continue the next phase of distribution and presentation of digital images. The additional interfaces will also improve billing turnaround time as well as quality assurance.

#### **Quote - H11NTV008 - \$24,200**

- This will export last two years of reports from our transcriptionist agency (JLG) to Picture Archive & Communication System to provide the Radiologist with all the information for accurately reading a radiology exam.
- This will eliminate extra steps that staff currently take and will make billing more efficient.
- This is to provide access to Meditech from our Picture Archive & Communication System workstations. This will eliminate staff from having to work on two different computers to change or view study information. Also provide ability to radiologists

to fax critical results directly from their Picture Archive & Communication System reading stations. This will provide a more streamlined operation in Radiology and less machines for Information Technology (IT) to manage by consolidation the applications on single workstations.

**Quote - H11NTV009 - \$10,000**

- This is for integrating access to Radiology images from Meditech. Users will be able to click on link within Meditech to view the images associated with patient exam.
- **Additional Workstations and Monitors:** By deploying additional workstations and monitors at NMC this will make images more readily available for physician viewing.

**Quote - H11NTV010 - \$9108**

- Additional Technologist Workstations & Monitors. Quantity 2 of the document scanners shall be added when this order is placed.
- **Nuclear Medicine & Mammography:** Nuclear Medicine & Mammography Interfaces will be deployed which will integrate these departments into PACS.

**Quote - H12NTV002 - \$15,800**

- This software option will allow Nuclear images to be manipulated and integrated into the PACS System.

Product Features include:

- Cedars Companion - review and analysis of myocardial perfusion studies. Must be deployed with Segami Oasis Base Product.
  - Cedars Motion Correction for automatic and manual correction of (Single-photon emission computed tomography) SPECT acquisition motion artifacts. Must be deployed with Segami Oasis Base Product.
  - Cedars Quantitative Blood Pool - Automatic segmentation and quantification of gated short axis blood pool (red blood cells, RBC), SPECT.
  - Cedars PlusPack for Cedars - Prone/supine, serial change, motion frozen, shape index, PowerPoint.
- **Voice Recognition:** The addition of voice recognition allows the radiologist's dictation to convert into a digital report. This reduces third party dictation costs and issues.

**Quote - D12NTV001-02 - \$34,713**

- This is for Upgrading Radwhere to PowerScribe 360
- Converting to the Powerscribe 360 platform provides many significant benefits:
- PowerScribe 360 is the latest voice recognition dictation system for Radiology.
- This product is highly recommended and preferred by the Radiologist over Radwhere
- Dragon® Medical 10—nuance healthcare's industry- leading speech recognition technology
- provides increased accuracy and efficiency for your radiologists.
- Advanced documentation and Workflow Features —provides enhanced flexibility and workflow options for today's radiology practices.
- Enhanced Medical transcriptionist (Mt) Workflow—provides return workflow, AutoText access, keystroke shortcuts, USB foot pedal support, sections and worklists, and more.

- Next-generation Radiology Platform—provides expandability and scalability beyond speech-driven documentation that will support your business requirements going forward.
  - At the time of purchasing Radwhere PowerScribe 360 was not available.
  - Nuance has allowed NMC to upgrade to PowerScribe 360 with nominal cost of professional services.
  - All the hardware purchased for Radwhere will be used for PowerScribe 360.
- **Software Maintenance Fees: \$17,230**

**Quotes P1245871/17NBMH and 1-1991S6 PS2**

- These are annual fees paid for Software Maintenance throughout the life of the Agreement.

**OTHER AGENCY INVOLVEMENT:**

County Counsel has reviewed and approved this Amendment as to legal form and risk provisions. Auditor-Controller has reviewed and approved this Amendment as to fiscal provisions. The Amendment has also been reviewed and approved by Natividad Medical Center's Board of Trustees.

**FINANCING:**

The cost for this Amendment is \$149,663 over three years. \$52,190 is included in the Fiscal Year 2011/2012 Adopted Budget. Additional funds will be budgeted for remaining years of the agreement. There is no impact to the General Fund.

Prepared by:  
Tom Burnside; 772-7616  
Radiology Director  
January 23, 2012

\_\_\_\_\_  
Harry Weis  
Chief Executive Officer

Attachments: Amendment #1, Agreement, Board Order  
Attachments are on file with the Clerk of the Board

**Before the Board of Supervisors in and for the  
County of Monterey, State of California**

**Agreement No.: A-11723**

Authorize the Purchasing Manager for )  
 Natividad Medical Center (NMC) to execute )  
 Amendment No. 1 to the Agreement (A- )  
 11723) with McKesson Technologies, Inc. for )  
 Horizon Medical Imaging Radiology, Picture )  
 Archiving and Communication System )  
 (PACS) and related systems services at NMC )  
 in an amount not to exceed \$2,749,633 in the )  
 aggregate (an increase of \$149,663) for the )  
 period February 28, 2012 to June 30, 2015... )

Upon motion of Supervisor Parker, seconded by Supervisor Salinas, and carried by those members present, the Board hereby;

Authorized the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment No. 1 to the Agreement (A-11723) with McKesson Technologies, Inc. for Horizon Medical Imaging Radiology, Picture Archiving and Communication System (PACS) and related systems services at NMC in an amount not to exceed \$2,749,633 in the aggregate (an increase of \$149,663) for the period February 28, 2012 to June 30, 2015.

PASSED AND ADOPTED on this 13<sup>th</sup> day of March, 2012, by the following vote, to-wit:

AYES: Supervisors Armenta, Calcagno, Salinas, Parker, Potter  
 NOES: None  
 ABSENT: None

I, Gail T. Borkowski, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 76 for the meeting on March 13, 2012.

Dated: March 13, 2012

Gail T. Borkowski, Clerk of the Board of Supervisors  
 County of Monterey, State of California

By Denise Hancock  
 Deputy

Original Agreement No or PO#: NMC A-11723  
Contractor MA1011350

**AMENDMENT NO. 1  
TO AGREEMENT  
BETWEEN McKesson Technologies Inc AND  
THE NATIVIDAD MEDICAL CENTER  
FOR**

**Horizon Medical Imaging Radiology, Picture Archiving and Communication System (PACS)  
and Related Systems and Services**

The parties to the Agreement, dated June 1, 2010 between the County of Monterey, on behalf of Natividad Medical Center ("NMC"), and McKesson Technologies Inc. ("Contractor"), referred to as Contractor Contract Number MA1011350 and NMC Agreement No. A-11723 (the "Agreement"), hereby agree to amend the Agreement on the following terms and conditions:

1. Contractor will continue to provide NMC with the same scope of service as stated in the Agreement. Additionally, services will include those described on Attachment A, attached to this Amendment.
2. This Amendment shall continue in full force until June 30, 2015.
3. The total amount payable by NMC to Contractor under the Agreement shall not exceed the total sum of \$2,749,663 for the full term of the Agreement and \$167,523 for fiscal year July 1, 2011 – June 30, 2012.
4. All other terms and conditions of the Agreement shall continue in full force and effect.
5. A copy of this Amendment shall be attached to the Agreement.

**IN WITNESS WHEREOF**, the parties hereto are in agreement with this Amendment on the basis set forth in this document and have executed this Amendment on the day and year set forth herein.

**CONTRACTOR**

Signature



Dated

Jan 12 - 2012

Printed Name

**KEVAN D. TORGERSON**  
President, Medical Imaging

Title

**NATIVIDAD MEDICAL CENTER**

Signature

  
Purchasing Manager

Dated

3-25-12

Signature

  
NMC - CEO

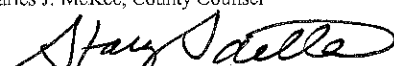
Dated

1/12/12


Approved as to Legal Form:

Charles J. McKee, County Counsel

By

  
Stacy Saetta, Deputy  
Attorneys for County and NMC

Reviewed as to fiscal provisions

  
Auditor-Controller  
County of Monterey

1-26-12

Dated:

1/24 2012

**ATTACHMENT A**

**ORDER FORM 1-17NBMH, DATED APRIL 26, 2011**

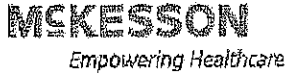
**AND**

**ORDER FORM 1-1991S6\_PS2**

**[SEE FOLLOWING PAGES]**

The County of Monterey, a political subdivision of the State of California, on behalf of Natividad Medical Center, an acute care teaching hospital owned and operated by the County - 1080530

Contract No. 1-17NBMH  
April 7, 2011



**ORDER FORM  
(MEDICAL IMAGING SOLUTIONS)**

ORDER FORM TO PRODUCT SCHEDULE 2 of McKesson Master Agreement No. MA1011350, dated June 1, 2010 (the "MA") incorporating all referenced Exhibits, Schedules, and Attachments ("Order Form") effective \_\_\_\_\_, \_\_\_\_ ("OF Effective Date").

Exhibits

A	Facilities, Fees Summary, Payment Schedule and Administration
A-1	Quote
B-1	Reserved
C-1	Reserved
D-1	Additional Terms

The pricing in this Order Form and McKesson's corresponding offer to Customer expires unless McKesson receives this Order Form signed by Customer on or before June 30, 2011.

McKesson will include Customer's purchase order ("PO") number on customer invoices if provided by Customer on or before the OF Effective Date. Failure to provide McKesson with a PO number or copy does not suspend or negate any Customer duty, including payment, under this Order Form.

By signing this Order Form, Customer acknowledges and agrees that (a) McKesson has made no warranty or commitment with regard to any functionality not Generally Available as of the OF Effective Date, whether or not included as part of Software Maintenance Services, for any of the Software licensed by this Order Form and (b) Customer has not relied on the availability of any future version of the purchased Product or any other future Product in executing this Order Form.

Each signatory hereto represents and warrants that it is duly authorized to sign, execute, and deliver this Order Form on behalf of the party it represents.

THE COUNTY OF MONTEREY, A POLITICAL  
SUBDIVISION OF THE STATE OF  
CALIFORNIA, ON BEHALF OF NATIVIDAD  
MEDICAL CENTER, AN ACUTE CARE  
TEACHING HOSPITAL OWNED AND  
OPERATED BY THE COUNTY

MCKESSON TECHNOLOGIES INC.

By: [Signature]  
Name: Harry Weiss  
Title: CFO  
Date: 4/26/11

By: [Signature]  
Name: RUDY GRANT  
Title: Director, Business Operations  
Date: APRIL 21, 2011

The County of Monterey, a political subdivision of the State of California, on behalf of Natividad Medical Center, an acute care teaching hospital owned and operated by the County - 1080530  
Contract No. 1-17NBMH  
April 7, 2011

**FOR MCKESSON INTERNAL USE ONLY**

**Submit fully executed contract to:**  
McKesson Medical Imaging Group  
Attn. MIG Sales Contracts  
#130 – 10711 Cambie Road  
Richmond, BC  
Canada V6X 3G5  
Fax: 1 604.279.5468  
1.800.261.5432  
Email: [migsalescontracts@mckesson.com](mailto:migsalescontracts@mckesson.com)



**EXHIBIT A**

**FACILITIES, FEES SUMMARY, PAYMENT SCHEDULE AND ADMINISTRATION**

**FACILITIES:**

<b>Customer No.</b>	<b>Data Center Facility</b>	<b>Full Address</b>
1010301	Natividad Medical Center	1441 Constitution Boulevard, Salinas, CA 93906
<b>Customer No.</b>	<b>Facility</b>	<b>Full Address</b>
1010301	Natividad Medical Center	1441 Constitution Boulevard, Salinas, CA 93906

**FEES SUMMARY:**

	<b>One-Time Fees</b>	<b>Recurring Fees</b>
<b>Software:</b>	\$10,000	\$1,800
<b>Implementation &amp; Education Services:</b>	\$35,300	
<b>Equipment:</b>	\$36,620	N/A
<b>GRAND TOTALS:</b>	<b>\$81,920</b>	<b>\$1,800</b>

**PAYMENT SCHEDULE:**

<b>System Software, System Implementation and Education Services, and System Equipment:</b>	100% is due on the OF Effective Date.
<b>System Software Maintenance Services:</b>	<b>Software Maintenance Services:</b> The first annual Software Maintenance Services fee is due on the System Installation Date, for the subsequent 12 month period. Subsequent annual Software Maintenance Services fees are due on each anniversary date of System Installation.

The transaction covered by this Order Form may involve a discount, rebate or other price reduction on the items covered by this Order Form. Customer may have an obligation to report such price reduction or the net cost in its cost reports or in another appropriate manner in order to meet the requirements of applicable federal and state anti-kickback laws, including 42 U.S.C. Sec. 1320a-7b(b)(3)(A) and the regulations found at 42 C.F.R. Sec. 1001.952(g) and (h). Customer will be responsible for reporting, disclosing, and maintaining appropriate records with respect to such price reduction or net cost and making those records available under Medicare, Medicaid, or other applicable government health care programs.

Unless Customer provides McKesson prior to the OF Effective Date satisfactory evidence of exemption (including evidence of renewal if applicable) from applicable sales, use, value-added, or other similar taxes or duties, McKesson will invoice Customer for all such taxes applicable to the transactions under this Order Form.

The County of Monterey, a political subdivision of the State of California, on behalf of Natividad Medical Center, an acute care teaching hospital owned and operated by the County - 1080530  
Contract No.1-17NBMH  
April 7, 2011

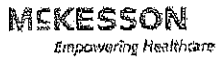
**ADMINISTRATION:**

<b>Sold To:</b> The County of Monterey, a political subdivision of the State of California, on behalf of Natividad Medical Center, an acute care teaching hospital owned and operated by the County 168 West Alisal Street, 3rd Floor Salinas, CA 93901  Federal Tax ID: 94-6000524	<b>Ship To:</b>  Natividad Medical Center  1441 Constitution Boulevard Salinas, CA 93906
<b>Bill To:</b>  Natividad Medical Center  1441 Constitution Boulevard Salinas, CA 93906	<b>Paid By:</b> The County of Monterey, a political subdivision of the State of California, on behalf of Natividad Medical Center, an acute care teaching hospital owned and operated by the County 168 West Alisal Street, 3rd Floor Salinas, CA 93901

The County of Monterey, a political subdivision of the State of California, on behalf of Natividad Medical Center, an acute care teaching hospital owned and operated by the County - 1080530  
Contract No.1-17NBMH  
April 7, 2011

**EXHIBIT A-1**

**QUOTE(S)**



**Natividad Medical Center**  
168 West Alisal Street, 3rd Floor  
Salinas, CA  
93901  
Customer No. 1080530

Quotation: H11NTV009  
Revision Date: April 6, 2011  
Project Name: Meditech EMR Interface  
Facility Name: Natividad Medical Center  
Contact Name: Todd Lyon  
Contact Number: (303) 219-0849

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### Horizon Medical Imaging Quotation Summary

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Primary Quotation #H11NTV009

Installation and Professional Services	10,000
<b>Subtotal Primary Quotation</b>	<b>\$ 10,000</b>

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<b>Net Total</b>	<b>\$ 10,000</b>
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The pricing set forth in this proposal represents McKesson's complete proposal for the products and or customer's facilities set forth herein (the "Pricing Proposal"), regardless of other proposals made by McKesson either simultaneously with this Pricing Proposal or otherwise regarding additional products or facilities that are not set forth herein.

McKesson has made no warranty or commitment with regard to any functionality not Generally Available as of the date of the Quotation or if the Quotation is included in a contract, then as of the Contract Supplement Effective Date.



Natividad Medical Center  
 168 West Alisal Street, 3rd Floor  
 Salinas, CA  
 93901  
 Customer #: 1080530

Quotation: H11NTV009  
 Project: Meditech EMR Interface  
 Site: Natividad Medical Center

Contact Name: Todd Lyon  
 Contact Number: (303) 219-0848  
 Revision Date: April 6, 2011

ITEM NO.	QTY	PART NO.	DESCRIPTION	UNIT PRICE Includes Applicable Discounts	TOTAL PRICE Qty X Unit Price
<b>Professional Services:</b>					
1	1	SVC140	74008117 OUTBOUND STATUS UPDATES - INTEGRATION SERVICES  Professional services to interface Horizon Medical Imaging with an existing HL7 Compliant System for HMI to send updates when a study status changes.	10,000	10,000
<i>Subtotal Professional Services</i>					10,000
<b>Grand Total</b>					<b>10,000</b>
<b>System Configuration Settings:</b>					
(A)	1x	API100	INTERFACE FOR 3RD PARTY EMR SYSTEM - MEDITECH  Provides McKesson standard API interface to enable image viewing of a 3rd party Electronic Medical Record (EMR) system. The Customer is responsible for any services or licensing required by the 3rd party EMR vendor. EMR100 must be purchased if customization of the standard API is required by the customer or 3rd party vendor.		
(B)	1x	DXS140	HL7 OUTBOUND STATUS UPDATES  Includes: HL7 Interface to send updates to a RIS when the status of the study changes in Horizon Medical Imaging.  Requires Horizon Medical Imaging version 4.0 or greater. Requires DXS100 and SVC140.		
<p>Please note that the design of the Horizon Medical Imaging system is sensitive to the underlying network bandwidth available. In order to operate in accordance with the Documentation, the proposed Horizon Medical Imaging system must be installed on a network that satisfies the following criteria:</p> <ul style="list-style-type: none"> <li>- All existing or new structured cabling must conform to the Registered Category 5 standard; i.e. Category 5E (TIA 568A Addendum 3, March 1998) or Category 6 specification.</li> <li>- All Horizon Medical Imaging workstations require a switched 100BaseT network connection running at full-duplex mode. Horizon Medical Imaging workstations cannot be connected using NAT (Network Address Translation), the Internet, or through a firewall.</li> <li>- All Horizon Medical Imaging servers require a switched Copper Gigabit Ethernet port (1000BaseT) network connection.</li> <li>- The Horizon Medical Imaging Servers must be connected to a network fabric, or backbone, that is capable of providing a minimum of Gigabit Ethernet (1000Mbit/sec), or equivalent, aggregate throughput dedicated to PACS network traffic to the switch fabric that feeds the Horizon Medical Imaging workstations.</li> <li>- If the Horizon Medical Imaging system is interconnected to the hospital network, the image management system should be kept on a subnet, isolated from the primary network.</li> <li>- All sites and locations that will have connectivity to the HMI system must be inside the facility's firewall. Locations outside the firewall will be unable to access the HMI system. A wide area network connection must be provided between locations, campuses and buildings (high-speed connectivity recommended).</li> <li>- All HMI PACS systems (servers, workstations, NAS) should have reliable network connectivity to all other components of the PACS network; therefore, it is essential to have properly configured network routing between all primary and/or remote sites. Network performance and latency times are the responsibility of the customer. McKesson recommends network speed ping packet tests to be within round trip &lt; 2 msec for HRS-A workstations and within round trip &lt; 200 msec for HRS-D workstations otherwise image access, file access or database access operations will correspondingly experience decrease in performance.</li> </ul> <p>Confidential and Proprietary to McKesson Technologies Inc</p>					



**Natividad Medical Center**  
168 West Alisal Street, 3rd Floor  
Salinas, CA  
93901  
Customer No. 1080530

Quotation: H11NTV008  
Quotation Date: April 6, 2011  
Project Name: Web Server and Workstations  
Facility Name: Natividad Medical Center  
Contact Name: Todd Lyon  
Contact Number: (303) 219-0849

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### Horizon Medical Imaging Quotation Summary

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Primary Quotation #H11NTV008

Installation and Professional Services	24,200
<b>Subtotal Primary Quotation</b>	<b>\$ 24,200</b>

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<b>Net Total</b>	<b>\$ 24,200</b>
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Quote is only valid if purchased with H11NTV007-03

The pricing set forth in this proposal represents McKesson's complete proposal for the products and or customer's facilities set forth herein (the "Pricing Proposal"), regardless of other proposals made by McKesson either simultaneously with this Pricing Proposal or otherwise regarding additional products or facilities that are not set forth herein.

McKesson has made no warranty or commitment with regard to any functionality not Generally Available as of the date of the Quotation or if the Quotation is included in a contract, then as of the Contract Supplement Effective Date.



Natividad Medical Center  
 168 West Alisal Street, 3rd Floor  
 Salinas, CA  
 93901  
 Customer #: 1080530

Quotation: H11NTV008  
 Project: Web Server and Work  
 Site: Natividad Medical Cente

Contact Name: Todd Lyon  
 Contact Number: (303) 218-0849  
 Quotation Date: April 6, 2011

ITEM NO.	QTY	PART NO	DESCRIPTION	UNIT PRICE <i>Includes Applicable Discounts</i>	TOTAL PRICE <i>Qty x Unit Price</i>
<b>Professional Services</b>					
1	1	SVC100 74006206	INBOUND REPORTS - INTEGRATION SERVICES  Professional services to interface Horizon Medical Imaging with an existing HL7 Compliant System for HMI to receive Orders, ADT Messages and textual reports.	5,000	5,000
2	1	SVC140 74008117	OUTBOUND STATUS UPDATES - INTEGRATION SERVICES  Professional services to interface Horizon Medical Imaging with an existing HL7 Compliant System for HMI to send updates when a study status changes.	10,000	10,000
3	2	SER130 74010351	THIRD PARTY WINDOWS APPLICATION INTERFACING SERVICES - FORWARD ADVANTAGE AND MEDITECH CLIENT  Includes: Installation of a single third party Windows application, configuration of Horizon Rad Station to allow launching of this application, removal of the application if it fails to operate as required.  It is the customer's responsibility to confirm that the application functions correctly on HRS, and that no software conflicts arise due to the use of the third party application. Please note that McKesson will require the customer to provide this confirmation in writing prior to deploying the third party application in a production environment.  Customer is responsible to manage any risks to Protected Health Information (PHI) posed by the third-party application. The third-party application does not become part of the Horizon Medical Imaging medical device under this integration.	3,000	6,000
4	1	INS100 74007667	Remote Installation  Includes: - System Installation - Shipping and handling charges for shipment from McKesson to customer site	3,200	3,200
<i>Subtotal Professional Services</i>					<b>24,200</b>
<b>Grand Total</b>					<b>24,200</b>
<b>System Configuration Settings</b>					

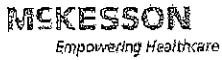
Natividad Medical Center  
188 West Alisal Street, 3rd Floor  
Salinas, CA  
93901  
Customer #: 1080530

Quotation: H11NTV008  
Project: Web Server and Works  
Site: Natividad Medical Center

Contact Name: Todd Lyon  
Contact Number: (303) 219-0849  
Quotation Date: April 6, 2011

ITEM NO.	QTY	PART NO.	DESCRIPTION	UNIT PRICE <i>Includes Applicable Discounts</i>	TOTAL PRICE <i>Qty x Unit Price</i>
(A)	2x	WSA871	<p><b>WORKSTATION RADWHERE INTERFACE</b></p> <p>Integration of RadWhere 3.0 with Horizon Rad Station Advanced (HRS-A) and Horizon Rad Station Distributed (HRS-D).</p> <ul style="list-style-type: none"> <li>HRS-A and HRS-D workstations must be at HMI version 11 (minimum update level HMI 11.6).</li> <li>HRS-A and HRS-D workstations operating system are Windows XP SP2 Professional.</li> <li>Custom integrations are specifically qualified for the HMI version with a minimum update level, the 3rd party product version and the identified operating system at the time of the custom integration request. If the 3rd party product version (including service pack) or the OS changes and/or the customer requests a major HMI version upgrade (from version 11 to 12 for example), the custom integration will require re-qualification and any identified changes will be charged at an hourly rate or will be reflected in a new quotation.</li> </ul>		
(B)	1x	DXS120	<p><b>HL7 INBOUND RESULTS</b></p> <p>Includes: HL7 interfaces enabling Horizon Medical imaging to receive result messages from a HIS/RIS system.</p> <p>Requires Horizon Medical Imaging version 4.5 or greater. Requires DXS100 and SVC100.</p>		
(C)	1x	DXS140	<p><b>HL7 OUTBOUND STATUS UPDATES</b></p> <p>Includes: HL7 interface to send updates to a RIS when the status of the study changes in Horizon Medical Imaging.</p> <p>Requires Horizon Medical Imaging version 4.5 or greater. Requires DXS100 and SVC140.</p>		
<p>Please note that the design of the Horizon Medical Imaging system is sensitive to the underlying network bandwidth available. For optimum performance, and in order to be able to meet the stated image response times the proposed Horizon Medical Imaging system must be installed on a network that satisfies the following criteria:</p> <ul style="list-style-type: none"> <li>- All structured cabling must conform to the Registered Category 6 standard.</li> <li>- All Horizon Medical Imaging workstations require a switched 100BaseT network connection running at full-duplex mode. Horizon Medical Imaging workstations cannot be connected using NAT (Network Address Translation), the Internet, or through a firewall.</li> <li>- All Horizon Medical Imaging servers require a switched Copper Gigabit Ethernet port (1000BaseT) network connection.</li> <li>- The Horizon Medical Imaging Servers must be connected to a network fabric, or backbone, that is capable of providing a minimum of Gigabit Ethernet (1000Mbit/sec), or equivalent, aggregate throughput dedicated to PACS network traffic to the switch fabric that feeds the Horizon Medical Imaging workstations.</li> <li>- If new construction is planned then McKesson advises that structured cabling be specified to meet Category 6E (TIA 808A Addendum 3, March 1998) or Category 6 specification.</li> <li>- If the Horizon Medical Imaging system is interconnected to the hospital network, the image management system should be kept on a subnet, isolated from the primary network.</li> </ul> <p>All sites and locations that will have connectivity to the HMI system must be inside the facility's firewall. Locations outside the firewall will be unable to access the HMI system. A wide area network connection must be provided between locations, campuses and buildings; preferably fiber ATM or FDDI to provide high network performance. ISDN, T1, and other connectivity options are less desirable and can result in performance and operability problems. All HMI PACS systems (servers, workstations, NAS) should have reliable network connectivity to all other components of the PACS network; therefore, it is essential to have properly configured network routing between all primary and/or remote sites. Network performance and latency times are the responsibility of the customer. McKesson recommends network speed ping packet tests to be within round trip &lt; 2 msec for HRS-A workstations and within round trip &lt; 200 msec for HRS-D workstations otherwise image access, file access or database access operations will correspondingly experience decrease in performance.</p> <p>Confidential and Proprietary to McKesson Technologies Inc</p>					





Natividad Medical Center  
168 West Alisal Street, 3rd Floor  
Salinas, CA  
93901  
Customer No. 1080530

Quotation: H11NTV008  
Quotation Date: April 6, 2011  
Project Name: Web Server and Workstation  
Facility Name: Natividad Medical Center  
Contact Name: Todd Lyon  
Contact Number: (303) 219-0849

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## Horizon Medical Imaging Maintenance Quotation

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<b>Annual Software Maintenance</b>	<b>\$ 1,800</b>
Includes Full Software Maintenance (Support, Updates, and Upgrades)	



**Natividad Medical Center**  
168 West Alisal Street, 3rd Floor  
Salinas, CA  
93901  
Customer No. 1080530

Quotation: H11NTV007-03  
Quotation Date: April 6, 2011  
Project Name: Web Server and Workstations  
Facility Name: Natividad Medical Center  
Contact Name: Todd Lyon  
Contact Number: (303) 219-0849

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### Horizon Medical Imaging Quotation Summary

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Primary Quotation #H11NTV007-03

Horizon Medical Imaging Software	10,000
Equipment	28,412
Freight	200
<b>Subtotal Primary Quotation</b>	<b>\$ 38,612</b>

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**Net Total** **\$ 38,612**

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The pricing set forth in this proposal represents McKesson's complete proposal for the products and or customer's facilities set forth herein (the "Pricing Proposal"), regardless of other proposals made by McKesson either simultaneously with this Pricing Proposal or otherwise regarding additional products or facilities that are not set forth herein.

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**McKESSON**  
Empowering Healthcare

Natividad Medical Center  
168 West Alisal Street, 3rd Floor  
Salinas, CA  
93901  
Customer #: 1080530

Quotation: H11NTV007-03  
Project: Web Server and Works  
Site: Natividad Medical Center

Contact Name: Todd Lyon  
Contact Number: (209) 219-0849  
Quotation Date: April 6, 2011

ITEM NO.	QTY	PART NO.	DESCRIPTION	UNIT PRICE <i>Includes Applicable Discounts</i>	TOTAL PRICE <i>Qty x Unit Price</i>
<b>Horizon Medical Imaging Software</b>					
1	1	WSA379 72017831	WORKSTATION PEERVUE INTEGRATION  Includes: Integration of Horizon Rad Stations with an existing PeerVue server. PeerVue must be existing or purchased separately.  Software upgrades, as they become available, may be required to validate integration with other versions of PeerVue.	10,000	10,000
<i>Net Horizon Medical Imaging Software</i>					10,000
<b>Equipment</b>					
2	5	WKS100DXP 80001631	TECHNOLOGIST RAD CASE VIEWING STATION - DELL  This chassis is not be used with 5MP Displays  Hardware: Workstation with a 100/100BaseT NIC and Windows XP Software License,  Requires CDS or GDS Display System, Horizon Medical Imaging 4.6.1 or greater, and Horizon Rad Station 3.3.2 or greater.	2,722	13,610
3	5	ADI210LN 80002013	DISPLAY SYSTEM: LG L200ME  20.1" Colour 1600 X 1200 Desktop Flat panel  Requires Horizon Medical Imaging 4.6.1 or greater, and Horizon Rad Station 3.3.2 or greater with Windows XP.	826	4,130
4	5	WSA100 80000454	DOCUMENT SCANNING  Hardware: USB Document scanner with all required cabling and adapters.  Includes an Automatic Sheet Feeder  Requires: Horizon Rad Station 3.3.2 or greater and Microsoft Windows XP.	639	3,195
5	1	SRV500D2K8-64 80004906	HORIZON MEDICAL IMAGING EDGE SERVER - DELL - WEB SERVER  Equipment: Windows Server license, Rack mountable server, Gigabit ethernet adaptor, requires a copper Gigabit ethernet connection.	7,477	7,477
<i>Subtotal Equipment</i>					28,412
<b>Professional Services</b>					
6	1	INS100 74007657	Freight  Includes:  - Shipping and handling charges for shipment from McKesson to customer site	200	200
<i>Subtotal Professional Services</i>					200
<b>Grand Total</b>					<b>38,612</b>

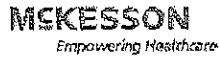


Natividad Medical Center  
 168 West Alisal Street, 3rd Floor  
 Salinas, CA  
 93901  
 Customer #: 1080530

Quotation: H11NTV007-03  
 Project: Web Server and Workst  
 Site: Natividad Medical Cent

Contact Name: Todd Lyon  
 Contact Number: (303) 218-0648  
 Quotation Date: April 6, 2011

ITEM NO.	QTY	PART NO.	DESCRIPTION	UNIT PRICE <i>Includes Applicable Discounts</i>	TOTAL PRICE <i>Qty x Unit Price</i>
<p>Please note that the design of the Horizon Medical Imaging system is sensitive to the underlying network bandwidth available. For optimum performance, and in order to be able to meet the stated image response times the proposed Horizon Medical Imaging system must be installed on a network that satisfies the following criteria:</p> <ul style="list-style-type: none"> <li>- All structured cabling must conform to the Registered Category 5 standard.</li> <li>- All Horizon Medical Imaging Workstations require a switched 100BaseT network connection running at full-duplex mode. Horizon Medical Imaging workstations cannot be connected using NAT (Network Address Translation), the Internet, or through a firewall</li> <li>- All Horizon Medical Imaging servers require a switched Copper Gigabit Ethernet port (1000BaseT) network connection.</li> <li>- The Horizon Medical Imaging Servers must be connected to a network fabric, or backbone, that is capable of providing a minimum of Gigabit Ethernet (1000Mb/sec), or equivalent, aggregate throughput dedicated to PACS network traffic to the switch fabric that feeds the Horizon Medical Imaging workstations.</li> <li>- If new construction is planned then McKesson advises that structured cabling be specified to meet Category 6E (TIA 606A Addendum 3, March 1998) or Category 6 specification.</li> <li>- If the Horizon Medical Imaging system is interconnected to the hospital network, the image management system should be kept on a subnet, isolated from the primary network.</li> </ul> <p>All sites and locations that will have connectivity to the HMI system must be inside the facility's firewall. Locations outside the firewall will be unable to access the HMI system. A wide area network connection must be provided between locations, campuses and buildings; preferably fiber ATM or FDDI to provide high network performance. ISDN, T1, and other connectivity options are less desirable and can result in performance and operability problems. All HMI PACS systems (servers, workstations, NAS) should have reliable network connectivity to all other components of the PACS network; therefore, it is essential to have properly configured network routing between all primary and/or remote sites. Network performance and latency times are the responsibility of the customer. McKesson recommends network speed ping packet tests to be within round trip &lt; 2 msec for HRS-A workstations and within round trip &lt; 200 msec for HRS-D workstations otherwise image access, file access or database access operations will correspondingly experience decrease in performance.</p> <p>Confidential and Proprietary to McKesson Technologies Inc</p>					



**Natividad Medical Center**  
168 West Alisal Street, 3rd Floor  
Salinas, CA  
93901  
Customer No. 1080530

Quotation: H11NTV010  
Revision Date: April 6, 2011  
Project Name: Tech Workstations  
Facility Name: Natividad Medical Center  
Contact Name: Todd Lyon  
Contact Number: (303) 219-0849

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### Horizon Medical Imaging Quotation Summary

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Primary Quotation #H11NTV010

Equipment	8,208
Installation and Professional Services	900
<b>Subtotal Primary Quotation</b>	<b>\$ 9,108</b>

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<b>Net Total</b>	<b>\$ 9,108</b>
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The pricing set forth in this proposal represents McKesson's complete proposal for the products and or customer's facilities set forth herein (the "Pricing Proposal"), regardless of other proposals made by McKesson either simultaneously with this Pricing Proposal or otherwise regarding additional products or facilities that are not set forth herein.

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Natividad Medical Center  
 168 West Alisal Street, 3rd Floor  
 Salinas, CA  
 95001  
 Customer #: 1060530

Quotation: H11NTV010  
 Project: Tech Workstations  
 Site: Natividad Medical Center

Contact Name: Todd Lyon  
 Contact Number: (303) 219-0849  
 Revision Date: April 6, 2011

ITEM NO.	QTY	PART NO.	DESCRIPTION	UNIT PRICE Includes Applicable Discounts	TOTAL PRICE Qty x Unit Price
<b>Equipment</b>					
1	2	WKS100DXP 80001931	TECHNOLOGIST RAD CASE VIEWING STATION - DELL  Workstation chassis, to be paired with video cards and displays	3,034	6,068
2	2	AD1210BE 80004660	DISPLAY SYSTEM: BARCO MDRC-2120  20.1" Colour 1600 X 1200 Clinical Review Display with DICOM calibration	1,070	2,140
<i>Subtotal Equipment</i>					<b>8,208</b>
<b>Professional Services</b>					
3	1	INS100 74007667	Remote Installation  Includes: - Implementation and/or training services for implementation of this quotation - Shipping and handling charges for shipment from McKesson to customer site	800	800
<i>Subtotal Professional Services</i>					<b>800</b>
<b>Grand Total</b>					<b>9,108</b>

Please note that the design of the Horizon Medical Imaging system is sensitive to the underlying network bandwidth available. In order to operate in accordance with the Documentation, the proposed Horizon Medical Imaging system must be installed on a network that satisfies the following criteria:

- All existing or new structured cabling must conform to the Registered Category 5 standard; i.e. Category 5E (TIA 568A Addendum 3, March 1998) or Category 6 specification.
- All Horizon Medical Imaging workstations require a switched 100BaseT network connection running at full-duplex mode. Horizon Medical Imaging workstations cannot be connected using NAT (Network Address Translation), the Internet, or through a firewall.
- All Horizon Medical Imaging servers require a switched Copper Gigabit Ethernet port (1000BaseT) network connection.
- The Horizon Medical Imaging Servers must be connected to a network fabric, or backbone, that is capable of providing a minimum of Gigabit Ethernet (1000Mbit/sec), or equivalent, aggregate throughput dedicated to PACS network traffic to the switch fabric that feeds the Horizon Medical Imaging workstations.
- If the Horizon Medical Imaging system is interconnected to the hospital network, the image management system should be kept on a subnet, isolated from the primary network.
- All sites and locations that will have connectivity to the HMI system must be inside the facility's firewall. Locations outside the firewall will be unable to access the HMI system. A wide area network connection must be provided between locations, campuses and buildings (high-speed connectivity recommended).
- All HMI PACS systems (servers, workstations, NAS) should have reliable network connectivity to all other components of the PACS network; therefore, it is essential to have properly configured network routing between all primary and/or remote sites. Network performance and latency times are the responsibility of the customer. McKesson recommends network speed ping packet tests to be within round trip < 2 msec for HRS-A workstations and within round trip < 200 msec for HRS-D workstations otherwise image access, file access or database access operations will correspondingly experience decrease in performance.

Confidential and Proprietary to McKesson Technologies Inc



Natividad Medical Center  
168 West Alisal Street, 3rd Floor  
Salinas, CA  
93901  
Customer No. 1080530

Quotation: H11NTV010  
Revision Date: April 6, 2011  
Project Name: Tech Workstations  
Facility Name: Natividad Medical Center  
Contact Name: Todd Lyon  
Contact Number: (303) 219-0849

---

## Horizon Medical Imaging Maintenance Quotation

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Equipment Maintenance Not Provided

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**EXHIBIT D-1**

**ADDITIONAL TERMS**

**SECTION 1:**

Customer acknowledges and agrees that the Initial Maintenance Term for this Order Form is coterminous with the Initial Maintenance Term of the Order Form No. 1-140JVB\_PS2, dated June 15, 2010 ("Initial OF"). If the parties agreed to modify the terms for, or the level of Maintenance Services (e.g., Cooperative to Standard Maintenance Services, etc.), on another Order Form or amendment after the Initial OF, then the most recent terms for Maintenance Services will apply to the System and any Add-on Orders under this Order Form.

**SECTION 2: THIRD PARTY TERMS AND CONDITIONS**

Customer agrees to the applicable Third Party terms and conditions, if any, as set forth at <http://customerportal.mckesson.com>, which Customer may access using the following confidential login information:

**User ID:** contractprovisions@mckesson.com  
**Password (case sensitive):** Portal!Access

**SECTION 3: EQUIPMENT DELIVERY**

Title and risk of loss or damage to System and/or Equipment will pass to the Customer upon shipper's proof of delivery to Customer.





**ORDER FORM  
(MEDICAL IMAGING SOLUTIONS)**

**ORDER FORM TO PRODUCT SCHEDULE 2** of McKesson Master Agreement No. **MA1011350**, dated **June 1, 2010** (the "MA") incorporating all referenced Exhibits, Schedules, and Attachments ("Order Form") effective \_\_\_\_\_, \_\_\_\_ ("OF Effective Date").

**Exhibits**

<b>A</b>	<b>Facilities, Fees Summary, Payment Schedule and Administration</b>
<b>A-1</b>	<b>Quote</b>
<b>B-1</b>	<b>Reserved</b>
<b>C-1</b>	<b>Reserved</b>
<b>D-1</b>	<b>Additional Terms</b>

The pricing in this Order Form and McKesson's corresponding offer to Customer expires unless McKesson receives this Order Form signed by Customer on or before **March 30, 2012**.

McKesson will include Customer's purchase order ("PO") number on customer invoices if provided by Customer on or before the OF Effective Date. Failure to provide McKesson with a PO number or copy does not suspend or negate any Customer duty, including payment, under this Order Form.

By signing this Order Form, Customer acknowledges and agrees that (a) McKesson has made no warranty or commitment with regard to any functionality not Generally Available as of the OF Effective Date, whether or not included as part of Software Maintenance Services, for any of the Software licensed by this Order Form and (b) Customer has not relied on the availability of any future version of the purchased Product or any other future Product in executing this Order Form.

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The County of Monterey, a political subdivision of the State of California,  
on behalf of Natividad Medical Center, an acute care teaching hospital  
owned and operated by the County - 1080530  
Contract No. 1-1991S6\_PS2  
January 11, 2012

Each signatory hereto represents and warrants that it is duly authorized to sign, execute, and deliver this Order Form on behalf of the party it represents.

**THE COUNTY OF MONTEREY, A POLITICAL  
SUBDIVISION OF THE STATE OF CALIFORNIA, ON  
BEHALF OF NATIVIDAD MEDICAL CENTER, AN  
ACUTE CARE TEACHING HOSPITAL OWNED AND  
OPERATED BY THE COUNTY**

**MCKESSON TECHNOLOGIES INC.**

By: \_\_\_\_\_  
NMC Contracts and/Purchasing Agent

Date: \_\_\_\_\_

By: SD \_\_\_\_\_  
Department Head (if applicable)

Date: 1/12/12

By: [Signature] \_\_\_\_\_  
Name: KEVAN D. TORGERSON \_\_\_\_\_  
Title: President, Medical Imaging \_\_\_\_\_  
Date: \_\_\_\_\_

Jan 12-2012

Approved as to Legal Form

By: [Signature] \_\_\_\_\_  
Stacy Saetta

Deputy County Counsel

Date: 1/26/12

Approved as to Fiscal Provisions

By: [Signature] \_\_\_\_\_  
Auditor/Controller

Date: 1-26-12

Customer PO. No. \_\_\_\_\_

**FOR MCKESSON INTERNAL USE ONLY**

**Submit fully executed contract to:**  
McKesson Medical Imaging Group  
Attn. MIG Sales Contracts  
#130 – 10711 Cambie Road  
Richmond, BC  
Canada V6X 3G5  
Fax: 1 604.279.5468  
1.800.261.5432  
Email: migsalescontracts@mckesson.com

**EXHIBIT A**

**FACILITIES, FEES SUMMARY, PAYMENT SCHEDULE AND ADMINISTRATION**

**FACILITIES:**

Customer No.	Data Center Facility	Full Address
1010301	Natividad Medical Center	1441 Constitution Boulevard, Salinas, CA 93906
Customer No.	Facility	Full Address
1010301	Natividad Medical Center	1441 Constitution Boulevard, Salinas, CA 93906

**FEES SUMMARY:**

	One-Time Fees	Recurring Fees
<b>Software:</b>	\$15,000	\$2,700
<b>Implementation &amp; Education Services:</b>	\$26,425	
<b>Equipment:</b>	\$9,088	N/A
<b>GRAND TOTALS:</b>	<b>\$50,513</b>	<b>N/A</b>

**PAYMENT SCHEDULE:**

<b>System Software, System Implementation and Education Services, and System Equipment:</b>	100% is due on the OF Effective Date.
<b>System Software Maintenance Services:</b>	<b>Software Maintenance Services:</b> The first annual Software Maintenance Services fee is due on the System Installation Date, for the subsequent 12 month period. Subsequent annual Software Maintenance Services fees are due on each anniversary date of System Installation.

The transaction covered by this Order Form may involve a discount, rebate or other price reduction on the items covered by this Order Form. Customer may have an obligation to report such price reduction or the net cost in its cost reports or in another appropriate manner in order to meet the requirements of applicable federal and state anti-kickback laws, including 42 U.S.C. Sec. 1320a-7b(b)(3)(A) and the regulations found at 42 C.F.R. Sec. 1001.952(g) and (h). Customer will be responsible for reporting, disclosing, and maintaining appropriate records with respect to such price reduction or net cost and making those records available under Medicare, Medicaid, or other applicable government health care programs.

Unless Customer provides McKesson prior to the OF Effective Date satisfactory evidence of exemption (including evidence of renewal if applicable) from applicable sales, use, value-added, or other similar taxes or duties, McKesson will invoice Customer for all such taxes applicable to the transactions under this Order Form.

The County of Monterey, a political subdivision of the State of California,  
on behalf of Natividad Medical Center, an acute care teaching hospital  
owned and operated by the County - 1080530  
Contract No.1-1991S6\_PS2  
January 11, 2012

**ADMINISTRATION:**

<b>Sold To:</b> The County of Monterey, a political subdivision of the State of California, on behalf of Natividad Medical Center, an acute care teaching hospital owned and operated by the County 168 West Alisal Street, 3rd Floor Salinas, CA 93901 Federal Tax ID: 94-6000524	<b>Ship To:</b> Natividad Medical Center 1441 Constitution Boulevard Salinas, CA 93906 Attention: Kash Kanani Telephone: 408-596-4776 Email: kkanani@psmmis.com
<b>Bill To:</b> Natividad Medical Center PO BOX 81611 Salinas, CA 93906 Attention: Janet Stanek	<b>Paid By:</b> The County of Monterey, a political subdivision of the State of California, on behalf of Natividad Medical Center, an acute care teaching hospital owned and operated by the County 168 West Alisal Street, 3rd Floor Salinas, CA 93901

The County of Monterey, a political subdivision of the State of California,  
on behalf of Natividad Medical Center, an acute care teaching hospital  
owned and operated by the County - 1080530  
Contract No.1-1991S6\_PS2  
January 11, 2012

**EXHIBIT A-1**

**QUOTE(S)**



The County of Monterey, a political subdivision of the State of California,

on behalf of Natividad Medical Center, an acute care teaching hospital owned and operated by the County  
168 West Alisal Street, 3rd Floor  
Salinas, CA

93901  
Customer No. 1080530

Quotation: H12NTV002-01

Revision Date: December 9, 2011  
Project Name: Cedars Add on Natividad Medical Center  
Facility Name: Center  
Contact Name: Chris Barry  
Contact Number: (602) 663-4632

---

### Horizon Medical Imaging Quotation Summary

Primary Quotation #H12NTV002-01

Third Party Software	15,000
Installation and Professional Services	800
<b>Subtotal Primary Quotation</b>	<b>\$ 15,800</b>

---

**Net Total** **\$ 15,800**

---

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The County of Monterey, a political subdivision of the State of California,  
 on behalf of Natividad Medical Center, an acute care teaching hospital owned and  
 Salinas, CA  
 93901  
 Customer #: 1080530

Quotation: H12NTV002-01  
 Project: Cedars Add on Natividad Medical Center  
 Site:  
 Contact Name: Chris Barry  
 Contact Number: (602) 663-4632  
 Revision Date: December 9, 2011

ITEM NO.	QTY	PART NO.	DESCRIPTION	UNIT PRICE Includes Applicable Discounts	TOTAL PRICE Qty x Unit Price
<b>Third Party Software</b>					
1	1	SEG611 72019884	CEDARS QGS/QPS/COMPANION FOR SEGAMI OASIS - ONE CONCURRENT USER LICENSE  Cedars QGS/QPS/Companion - review and analysis of myocardial perfusion studies. Must be deployed with Segami Oasis Base Product.	15,000	15,000
<i>Subtotal Third Party Software</i>					<b>15,000</b>
<b>Professional Services</b>					
2	1	INS100 74007667	Remote Installation  Includes:  - Remote implementation services for implementation of this quotation	800	800
<i>Subtotal Professional Services</i>					<b>800</b>
<b>Grand Total</b>					<b>15,800</b>

Please note that the design of the Horizon Medical Imaging system is sensitive to the underlying network bandwidth available. In order to operate in accordance with the Documentation, the proposed Horizon Medical Imaging system must be installed on a network that satisfies the following criteria:

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Confidential and Proprietary to McKesson Technologies Inc



The County of Monterey, a political subdivision of the State of California,

Quotation: H12NTV002-01

on behalf of Natividad Medical Center, an acute care teaching hospital owned and operated by the County  
168 West Alisal Street, 3rd Floor  
Salinas, CA

Revision Date: December 9, 2011  
Project Name: Cedars Add on

93901  
Customer No. 1080530

Facility Name: Natividad Medical Center  
Contact Name: Chris Barry  
Contact Number: (602) 663-4632

---

## Horizon Medical Imaging Maintenance Quotation

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**Segami Maintenance**

**\$ 2,700**

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The County of Monterey, a political subdivision of  
the State of California,

Quotation: D12NTV001-02

on behalf of Natividad Medical Center, an acute care  
teaching hospital owned and operated by the County

168 West Alisal Street, 3rd Floor

Revision Date: December 9, 2011

Project Name: Upgrade to PS360

Salinas, CA 93901

Facility Name: Natividad Medical

Customer No. 1080530

Center

Contact Name: Chris Barry

Contact Number: (602) 663-4632

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### Horizon Medical Imaging Quotation Summary

Primary Quotation #D12NTV001-02

Equipment	9,088
Installation and Professional Services	25,625
<b>Subtotal Primary Quotation</b>	<b>\$ 34,713</b>

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**Net Total** **\$ 34,713**

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The County of Monterey, a political subdivision of the State of California,  
 on behalf of Natividad Medical Center, an acute care teaching hospital owned and  
 168 West Alisal Street, 3rd Floor  
 Salinas, CA 93901  
 Customer #: 1080530

Quotation: D12NTV001-02  
 Project: Upgrade to PS360  
 Natividad Medical  
 Center  
 Site:  
 Contact Name: Chris Barry  
 Contact Number: (802) 663-4832  
 Revision Date: December 9, 2011

ITEM NO.	QTY	PART NO.	DESCRIPTION	UNIT PRICE Includes Applicable Discounts	TOTAL PRICE Qty x Unit Price
<b>Equipment</b>					
1	1	NNS110D2K3 80005529	Nuance System Server - Speech Utility Server	8,187	8,187
2	1	UPS100D 80000403	RACK MOUNTABLE UPS	901	901
<i>Subtotal Equipment</i>					<b>9,088</b>
<b>Professional Services</b>					
3	1	NJA1207 74036863	Nuance Professional Services Services to Upgrade Radwhere to Powerscribe 360.	25,625	25,625
<i>Subtotal Professional Services</i>					<b>25,625</b>
<b>Grand Total</b>					<b>34,713</b>



The County of Monterey, a political  
subdivision of the State of California,

Quotation: D12NTV001-02

on behalf of Natividad Medical Center, an  
acute care teaching hospital owned and  
operated by the County

Revision Date: December 9, 2011

168 West Alisal Street, 3rd Floor

Project Name: Upgrade to PS360

Salinas, CA 93901

Facility Name: Natividad Medical Center

Customer No. 1080530

Contact Name: Chris Barry

Contact Number: (602) 663-4632

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## Horizon Medical Imaging Maintenance Quotation

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**Equipment Maintenance Not Provided**

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## EXHIBIT D-1

### ADDITIONAL TERMS

#### SECTION 1:

Customer acknowledges and agrees that the Initial Maintenance Term for this Order Form is coterminous with the Initial Maintenance Term of the Order Form No. 1-140JVB\_PS2, dated June 15, 2010 ("Initial OF"). If the parties agreed to modify the terms for, or the level of Maintenance Services (e.g., Cooperative to Standard Maintenance Services, etc.), on another Order Form or amendment after the Initial OF, then the most recent terms for Maintenance Services will apply to the System and any Add-on Orders under this Order Form.

#### SECTION 2: THIRD PARTY TERMS AND CONDITIONS

Customer agrees to the applicable Third Party terms and conditions, if any, as set forth at <http://customerportal.mckesson.com>, which Customer may access using the following confidential login information:

**User ID:** contractprovisions@mckesson.com

**Password (case sensitive):** PortalAccess

#### SECTION 3: EQUIPMENT DELIVERY

Title and risk of loss or damage to System and/or Equipment will pass to the Customer upon shipper's proof of delivery to Customer.

#### SECTION 4: NUANCE PROGRAMS

McKesson licenses the Third Party Software PowerScribe®, Powerscribe® 360, RadWhere® and RadCube™ for Radiology (collectively or individually, the "Nuance Programs") on a per Exam basis and Customer agrees to comply with the provisions on Software License with respect to the Nuance Programs. For the Nuance Programs, "Exam" means each individual radiological imaging study (e.g. CT of Abdomen, CT of Chest, MRI of the Brain, Fetal ultrasound). Until such time as the license review can be performed remotely, Customer agrees to provide McKesson with its Annual Exam Volume report ("AEV Report") for the Nuance Programs using the form provided by McKesson. Customer shall indicate the applicable Annual Exam Volume, licensed Exam volume and numeric difference between them, as well as a break out of the number of Exams performed by Customer and each Facility during such annual Exam period. The annual AEV Report will be sent by mail and via email to [mig.aevreports@mckesson.com](mailto:mig.aevreports@mckesson.com). The annual AEV Report shall be delivered to McKesson no later than thirty (30) days following each anniversary of First Productive Use. Failure to comply with this reporting requirement is a material breach of the Agreement. In addition, Customer agrees to provide such report following expiration or termination of the applicable contract for the Nuance Programs.

**SECTION 5: NUANCE COMMUNICATIONS, INC. ("NUANCE") THIRD PARTY SOFTWARE TERMS**

5.1 "Nuance Programs" means PowerScribe®, Powerscribe® 360, RadWhere® and RadCube™ for Radiology.

5.2 END USER ACKNOWLEDGES AND UNDERSTANDS THAT THE NUANCE PROGRAMS EMPLOY SPEECH RECOGNITION TECHNOLOGY, THAT SPEECH RECOGNITION IS A STATISTICAL PROCESS, AND THAT RECOGNITION ERRORS ARE INHERENT IN THE PROCESS OF SPEECH RECOGNITION. END USER DISCLAIMS ALL LIABILITIES OF ANY KIND OF NUANCE TO END USER ARISING IN ANY WAY OUT OF THE PROGRAMS.

5.3 As between Customer and Nuance, Customer agrees that Nuance and its licensors shall not be responsible for any direct, indirect, incidental, special and consequential damages.

5.4 Customer agrees that Nuance may access the Nuance Programs on Customer's servers via a virtual private network (VPN) or other remote means ("**Remote Access**") in order to provide support for the Nuance Programs. Customer consents to such remote access by Nuance as long as it is under maintenance for the Nuance Programs.

**MONTEREY COUNTY BOARD OF SUPERVISORS**

<b>MEETING:</b>	June 15, 2010	<b>AGENDA NO.:</b>
<b>SUBJECT:</b>	Authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute an Agreement with McKesson Technologies, Inc., on behalf of itself and the McKesson Affiliates, for Horizon Medical Imaging Radiology, Picture Archiving and Communication System (PACS) and related systems and services at NMC in an amount not to exceed \$2,600,000 for the period June 1, 2010 to June 30, 2015.	
<b>DEPARTMENT:</b>	Natividad Medical Center	

**RECOMMENDATION:**

It is recommended the Board of Supervisors authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute an Agreement with McKesson Technologies, Inc., on behalf of itself and the McKesson Affiliates ("McKesson"), for Horizon Medical Imaging (HMI) Radiology, Picture Archiving and Communication System (PACS) and related systems and services at NMC in an amount not to exceed \$2,600,000 for the period June 1, 2010 to June 30, 2015.

**SUMMARY/DISCUSSION:**

NMC is executing on a strategic plan to achieve meaningful Electronic Medical Record usage consistent with state and federal guidelines for storage and data protection. In order to achieve this goal, a Picture Archiving and Communication System, or PACS, consisting of hardware and software assembled for the storage, distribution, and presentation of digital images, must be implemented at NMC. PACS eliminates the need for the manual storage and transport of medical records.

Staff recommends that McKesson undertake the installation of PACS and its related systems and services at NMC. McKesson is a leader in the PACS industry, providing integrated storage and data protection solutions for healthcare organizations worldwide.

The McKesson contract is comprised of nine separate quotes. A brief discussion of each follows. Quote 1. HMI PACS hardware and software. This includes a complete test system that will be continually updated.

Quote 2. Services for Horizon Medical Imaging PACS hardware and software.

Quote 3. HMI hardware and software maintenance. Oracle is the database the system utilizes. Orthoview is the software that assists orthopedic surgeons by providing tools to measure and plot surgical procedures for implantable devices such as knee and hip replacements.

Quote 4. Vital Images Enterprise Suite. This software provides 3D and 4D imaging necessary for post CT and MRI image processing. The system enables physicians to erase organs from images to accentuate organs of interest. This is vital to CTA and MRA procedures and is seamlessly integrated with the PACS software.

Quote 5. Maintenance agreement for Vital Images.

Quote 6. Nuance RadWhere voice recognition software for radiology dictation. The radiologist will be able to review what is being dictated in typed format and can electronically sign reports immediately upon completion of dictation.

Quote 7. Services for Nuance RadWhere software.

Quote 8. Segami and Mammography Plus enable the viewers to review nuclear cardiologic imaging and provides tools for the interpretation of digital mammography.

Quote 9. Services for Segami and Mammography Plus.

#### OTHER AGENCY INVOLVEMENT:

The Agreement has been reviewed and approved by County Counsel, the Auditor/Controller's office, and the Natividad Medical Center Board of Trustees' Finance Committee.

#### FINANCING:

The cost for this Agreement is \$2,600,000; \$1,200,000 is in the Fiscal Year 2010/2011 Recommended Capital Budget and \$1,400,000 (to cover annual maintenance fees) will be allocated to operating budgets over the five years of the agreement. This action will not require any additional General Fund subsidy.

Prepared by:

Kirk Larson

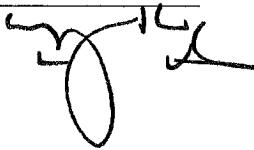
Chief Information Officer

May 19, 2010

Attachments: Agreement, Board Order

Chief Executive Officer

Harry Weis



Before the Board of Supervisors in and for the  
County of Monterey, State of California

Agreement No: A - 11723

) Authorize the Purchasing Manager for Natividad Medical Center (NMC) to  
) execute an Agreement with McKesson Technologies, Inc., on behalf of  
) itself and the McKesson Affiliates, for Horizon Medical Imaging  
) Radiology, Picture Archiving and Communication System (PACS) and  
) related systems and services at NMC in an amount not to exceed )  
) \$2,600,000 for the period June 1, 2010 to June 30, 2015. )

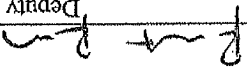
Upon motion of Supervisor Parker, seconded by Supervisor Potter, and carried by those members present, the Board hereby:

Authorized the Purchasing Manager for Natividad Medical Center (NMC) to execute an Agreement with McKesson Technologies, Inc., on behalf of itself and the McKesson Affiliates, for Horizon Medical Imaging Radiology, Picture Archiving and Communication System (PACS) and related systems and services at NMC in an amount not to exceed \$2,600,000 for the period June 1, 2010 to June 30, 2015.

PASSED AND ADOPTED this 15<sup>th</sup> day of June, 2010, by the following vote, to wit:  
AYES: Supervisors Armenta, Calcagno, Salinas, Parker, Potter  
NOES: None  
ABSENT: None

I, Gail T. Borkowski, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 75 for the meeting on June 15, 2010.

Dated: June 17, 2010

Gail T. Borkowski, Clerk of the Board of Supervisors  
County of Monterey, State of California  
By  Deputy



Natividad Medical Center Cost Summary

<b>Quote #1 (1-140JB)</b>		<b>Horizon Medical Imaging PACS</b>	
Hardware & Software	\$ 235,576.00	Hardware and Software	\$ 505,247.00
Maintenance		Maintenance	
Total	\$ 235,576.00	Total	\$ 505,247.00
Hardware and Software	\$ 217,000.00	Hardware and Software	\$ 217,000.00
Third Party Software	\$ 43,980.00	Third Party Software	\$ 43,980.00
Third Party Hardware	\$ 7,191.00	Third Party Hardware	\$ 7,191.00
Third Party Software	\$ 1,500.00	Third Party Software	\$ 1,500.00
Third Party Hardware	\$ 95,962.00	Third Party Hardware	\$ 95,962.00
Implementation Services	\$ 2,555.00	Implementation Services	\$ 2,555.00
Total	\$ 98,517.00	Total	\$ 98,517.00

<b>Quote #3 (1-1521DB)</b>		<b>HMI Hardware and Software</b>	
Hardware and Software	\$ 21,202.00	Hardware and Software	\$ 89,280.00
Maintenance		Maintenance	
Total	\$ 21,202.00	Total	\$ 89,280.00
Hardware and Software	\$ 89,280.00	Hardware and Software	\$ 89,280.00
Maintenance		Maintenance	
Total	\$ 89,280.00	Total	\$ 89,280.00
Hardware and Software	\$ 3,596.00	Hardware and Software	\$ 3,596.00
Maintenance		Maintenance	
Total	\$ 3,596.00	Total	\$ 3,596.00
Hardware and Software	\$ 4,320.00	Hardware and Software	\$ 4,320.00
Maintenance		Maintenance	
Total	\$ 4,320.00	Total	\$ 4,320.00
Hardware and Software	\$ 647.00	Hardware and Software	\$ 647.00
Maintenance		Maintenance	
Total	\$ 647.00	Total	\$ 647.00
Hardware and Software	\$ 270.00	Hardware and Software	\$ 270.00
Maintenance		Maintenance	
Total	\$ 270.00	Total	\$ 270.00
Hardware and Software	\$ 119,315.00	Hardware and Software	\$ 119,315.00
Maintenance		Maintenance	
Total	\$ 119,315.00	Total	\$ 119,315.00

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<b>Quote #4 (1-15U3W2)</b>		<b>Vital Images Enterprise Suite</b>	
Hardware and Software	\$ 17,200.00	Hardware and Software	\$ 137,200.00
Maintenance		Maintenance	
Total	\$ 17,200.00	Total	\$ 137,200.00
Hardware and Software	\$ 120,000.00	Hardware and Software	\$ 120,000.00
Maintenance		Maintenance	
Total	\$ 120,000.00	Total	\$ 120,000.00
Hardware and Software	\$ 21,600.00	Hardware and Software	\$ 21,600.00
Maintenance		Maintenance	
Total	\$ 21,600.00	Total	\$ 21,600.00
Hardware and Software	\$ 34,000.00	Hardware and Software	\$ 34,000.00
Maintenance		Maintenance	
Total	\$ 34,000.00	Total	\$ 34,000.00
Hardware and Software	\$ 55,600.00	Hardware and Software	\$ 55,600.00
Maintenance		Maintenance	
Total	\$ 55,600.00	Total	\$ 55,600.00

<b>Quote #6 (1-15MVVL)</b>		<b>Nuance RadWhere</b>	
Hardware and Software	\$ 38,438.00	Hardware and Software	\$ 133,988.00
Maintenance		Maintenance	
Total	\$ 38,438.00	Total	\$ 133,988.00
Hardware and Software	\$ 93,250.00	Hardware and Software	\$ 93,250.00
Maintenance		Maintenance	
Total	\$ 93,250.00	Total	\$ 93,250.00
Hardware and Software	\$ 2,300.00	Hardware and Software	\$ 2,300.00
Maintenance		Maintenance	
Total	\$ 2,300.00	Total	\$ 2,300.00
Hardware and Software	\$ 16,785.00	Hardware and Software	\$ 16,785.00
Maintenance		Maintenance	
Total	\$ 16,785.00	Total	\$ 16,785.00
Hardware and Software	\$ 49,884.00	Hardware and Software	\$ 49,884.00
Maintenance		Maintenance	
Total	\$ 49,884.00	Total	\$ 49,884.00
Hardware and Software	\$ 70,128.00	Hardware and Software	\$ 70,128.00
Maintenance		Maintenance	
Total	\$ 70,128.00	Total	\$ 70,128.00

<b>Quote #8 (1-16CZD7)</b>		<b>Segami And Mammography Plus</b>	
Hardware and Software	\$ 8,400.00	Hardware and Software	\$ 132,400.00
Maintenance		Maintenance	
Total	\$ 8,400.00	Total	\$ 132,400.00
Hardware and Software	\$ 124,000.00	Hardware and Software	\$ 124,000.00
Maintenance		Maintenance	
Total	\$ 124,000.00	Total	\$ 124,000.00
Hardware and Software	\$ 3,456.00	Hardware and Software	\$ 3,456.00
Maintenance		Maintenance	
Total	\$ 3,456.00	Total	\$ 3,456.00
Hardware and Software	\$ 22,320.00	Hardware and Software	\$ 22,320.00
Maintenance		Maintenance	
Total	\$ 22,320.00	Total	\$ 22,320.00
Hardware and Software	\$ 16,800.00	Hardware and Software	\$ 16,800.00
Maintenance		Maintenance	
Total	\$ 16,800.00	Total	\$ 16,800.00
Hardware and Software	\$ 42,576.00	Hardware and Software	\$ 42,576.00
Maintenance		Maintenance	
Total	\$ 42,576.00	Total	\$ 42,576.00
Hardware and Software	\$ 1,202,235.00	Hardware and Software	\$ 1,202,235.00
Maintenance		Maintenance	
Total	\$ 1,202,235.00	Total	\$ 1,202,235.00
Hardware and Software	\$ 183,476.00	Hardware and Software	\$ 183,476.00
Maintenance		Maintenance	
Total	\$ 183,476.00	Total	\$ 183,476.00

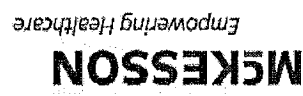
This MA is executed by an authorized representative of each party.

INCLUDED		PRODUCT SCHEDULES
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Product Schedule 1 (Hospital Solutions)
Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Product Schedule 2 (Medical Imaging Solutions)
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Product Schedule 3 (Automation Solutions)
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Product Schedule 4A (RelayHealth – Processing Services)
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Product Schedule 4B (RelayHealth – Subscription Services)
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Product Schedule 4C (RelayHealth – Revenue Cycle Outsourcing Services)
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Product Schedule 4D (RelayHealth – CareEnhance Call Center Software)
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Product Schedule 5 (Claims Performance and Medical Management Solutions)
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Product Schedule 6 (Physician Practice Solutions)
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Product Schedule 7 (Homecare)

The term of this MA ("Term") commences on the Effective Date and continues until the later of termination or expiration the last Order Form executed hereunder or June 30, 2015

from Mckesson in the U.S. during the Term. Products and Services described on a Product Schedule that are licensed or purchased by Customer the MA Terms and Conditions and all Exhibits, Product Schedules, and Order Forms. This MA governs all The County of Monterey, a political subdivision of the State of California, on behalf of Natividad Medical Center, an acute care teaching hospital owned and operated by the County ("Customer"), consisting of Mckesson Technologies Inc., on behalf of itself and the Mckesson Affiliates ("Mckesson"), and MCKESSON MASTER AGREEMENT ("MA") effective June 1, 2010 (the "Effective Date"),

**MCKESSON MASTER AGREEMENT**



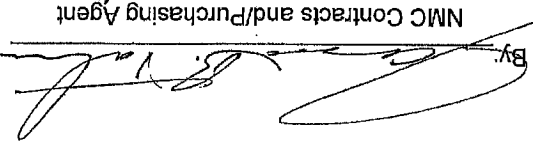
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Customer Number: TBD  
Contract Number: MA1011350

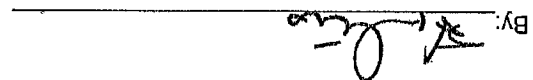
THE COUNTY OF MONTEREY, A POLITICAL  
SUBDIVISION OF THE STATE OF  
CALIFORNIA, ON BEHALF OF NATIVIDAD  
MEDICAL CENTER, AN ACUTE CARE  
TEACHING HOSPITAL OWNED AND  
OPERATED BY THE COUNTY

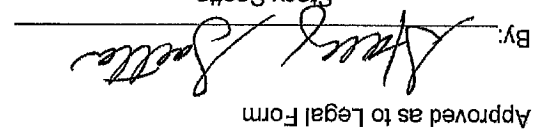
MCKESSON TECHNOLOGIES INC.

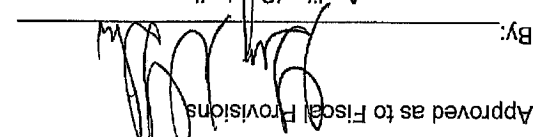
The County of Monterey, a political subdivision of  
the State of California, on behalf of Natividad  
Medical Center, an acute care teaching hospital  
owned and operated by the County  
Customer Number: TBD  
Contract Number: MA1011350

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By:   
Date: 6/15/10  
NMC Contracts and/Purchasing Agent

By:   
Date: 5/12/10  
Department Head (if applicable)

Approved as to Legal Form  
By:   
Date: 5/21/10  
Stacy Saetta  
Deputy County Counsel

Approved as to Fiscal Provisions  
By:   
Date: 5/21/10  
Auditor/Controller

Customer PO. No. \_\_\_\_\_  
Customer-Address: \_\_\_\_\_  
168 West Alisal Street  
3<sup>rd</sup> Floor  
Salinas, California 93901  
Mckesson-Address: \_\_\_\_\_  
5995 Windward Parkway  
Alpharetta, Georgia 30005  
Attn: General Counsel

The County of Monterey, a political subdivision of the State of California, on behalf of Natividad Medical Center, an acute care teaching hospital owned and operated by the County  
 Customer Number: TBD  
 Contract Number: MA1011350

	MTI	MAI	MHS
Customer Number	TBD	( )	( )
Contract Number	MA1011350	( )	( )