

MONTEREY COUNTY BOARD OF SUPERVISORS

MEETING:	March 13, 2012	AGENDA NO.:
SUBJECT:	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.	
DEPARTMENT:	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 13th 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

**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 [Signature]

Dated Jan 12-2012

Printed Name KEVAN D. TORGERSON
President, Medical Imaging

Title _____

NATIVIDAD MEDICAL CENTER

Signature [Signature]

Dated 3-25-12

Purchasing Manager

Signature [Signature]

Dated 1/17/12

NMC – CEO

Approved as to Legal Form:

Charles J. McKee, County Counsel

By [Signature]
Stacy Saetta, Deputy
Attorneys for County and NMC

Reviewed as to legal provisions
[Signature]
Auditor-Controller
County of Monterey

1-26-D
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

McKESSON

Empowering Healthcare

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 W. [Signature]

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

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
Software:	\$10,000	\$1,800
Implementation & Education Services:	\$35,300	
Equipment:	\$36,620	N/A
GRAND TOTALS:	\$81,920	\$1,800

PAYMENT SCHEDULE:

System Software, System Implementation and Education Services, and System Equipment:	100% is due on the OF Effective Date.
System Software Maintenance Services:	Software Maintenance Services: 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:

Sold To:

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

Bill To:

Natividad Medical Center

1441 Constitution Boulevard
Salinas, CA 93906

Ship To:

Natividad Medical Center

1441 Constitution Boulevard
Salinas, CA 93906

Paid By:

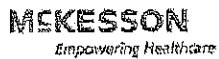
The County of Monterey, a political subdivision of the State of California, on behalf of Natividad Medical Center, an acute care teaching hospital owned and operated by the County

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

Horizon Medical Imaging Quotation Summary

Primary Quotation #H11NTV009

Installation and Professional Services	10,000
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Subtotal Primary Quotation	\$ 10,000
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Net Total	\$ 10,000
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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.

McKESSON
Empowering Healthcare

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
Professional Services					
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
Subtotal Professional Services					10,000
Grand Total					10,000
System Configuration Settings					
(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 4.6 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">- All existing or new structured cabling must conform to the Registered Category 5 standard; i.e. Category 5E (TIA 568A Addendum 5, 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. <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

Horizon Medical Imaging Quotation Summary

Primary Quotation #H11NTV008

Installation and Professional Services	24,200
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Subtotal Primary Quotation	\$ 24,200
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Net Total	\$ 24,200
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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 #: 1060530

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>
Professional Services					
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 74007067	Remote Installation Includes: - System Installation - Shipping and handling charges for shipment from McKesson to customer site	3,200	3,200
Subtotal Professional Services					24,200
Grand Total					24,200
System Configuration Settings					

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	WSA371	<p>WORKSTATION RADWHERE INTERFACE</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"> HRS-A and HRS-D workstations must be at HMI version 11 (minimum update level HMI 11.6). HRS-A and HRS-D workstations operating system are Windows XP SP2 Professional. 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. 		
(B)	1x	DXS120	<p>HL7 INBOUND RESULTS</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.</p> <p>Requires DXS100 and SVC100.</p>		
(C)	1x	DXS140	<p>HL7 OUTBOUND STATUS UPDATES</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.</p> <p>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"> - All structured cabling must conform to the Registered Category 6 standard. - 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 new construction is planned then McKesson advises that structured cabling be specified to meet Category 6E (TIA 568A Addendum 3, March 1998) or Category 6 specification. - 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. <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 < 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.</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

Horizon Medical Imaging Maintenance Quotation

Annual Software Maintenance	\$	1,800
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

Horizon Medical Imaging Quotation Summary

Primary Quotation #H11NTV007-03

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

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.

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.

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>
Horizon Medical Imaging Software					
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
Net Horizon Medical Imaging Software					10,000
Equipment					
2	5	WKS100DXP 80001631	TECHNOLOGIST RAD CASE VIEWING STATION - DELL This chassis is not be used with 5MP Displays Hardware: Workstation with a 100/1000BaseT 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	SRV500D2K8x64 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
Subtotal Equipment					28,412
Professional Services					
6	1	INS100 74007657	Freight Includes: - Shipping and handling charges for shipment from McKesson to customer site	200	200
Subtotal Professional Services					200
Grand Total					38,612

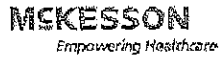


Natividad Medical Center
 168 West Alisal Street, 3rd Floor
 Salinas, CA
 93901
 Customer #: 1080530

Quotation: H11MTV007-03
 Project: Web Server and Workst
 Site: Natividad Medical Cent

Contact Name: Todd Lyon
 Contact Number: (303) 218-0848
 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"> - All structured cabling must conform to the Registered Category 5 standard. - 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 (100BaseT) 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 new construction is planned then McKesson advises that structured cabling be specified to meet Category 6E (TIA 668A Addendum 3, March 1998) or Category 6 specification. - 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. <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 < 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.</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

Horizon Medical Imaging Quotation Summary

Primary Quotation #H11NTV010

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

Net Total	\$ 9,108
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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 #: 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
Equipment					
1	2	WKS100DXP 80001531	TECHNOLOGIST RAD CASE VIEWING STATION - DELL Workstation chassis, to be paired with video cards and displays	3,034	6,068
2	2	AD1210BS 80004560	DISPLAY SYSTEM: BARCO MORC-2120 20.1" Colour 1600 X 1200 Clinical Review Display with DICOM calibration	1,070	2,140
Subtotal Equipment					8,208
Professional Services					
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
Subtotal Professional Services					800
Grand Total					9,108

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

Equipment Maintenance Not Provided

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

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 **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: Stacy Saetta
Department Head (if applicable)
Date: 1/15/12

By: Kevin D. Torgerson
Name: KEVIN D. TORGERSON
Title: President, Medical Imaging
Date: _____

Jan 12-2012

Approved as to Legal Form

By: Stacy Saetta
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
Software:	\$15,000	\$2,700
Implementation & Education Services:	\$26,425	
Equipment:	\$9,088	N/A
GRAND TOTALS:	\$50,513	N/A

PAYMENT SCHEDULE:

System Software, System Implementation and Education Services, and System Equipment:	100% is due on the OF Effective Date.
System Software Maintenance Services:	Software Maintenance Services: 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:

Sold To: 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	Ship To: Natividad Medical Center 1441 Constitution Boulevard Salinas, CA 93906 Attention: Kash Kanani Telephone: 408-596-4776 Email: kkanani@psmmis.com
Bill To: Natividad Medical Center PO BOX 81611 Salinas, CA 93906 Attention: Janet Stanek	Paid By: 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)

McKESSON

Empowering Healthcare

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
Natividad Medical

Facility Name: Center

Contact Name: Chris Barry

Contact Number: (602) 663-4632

93901

Customer No. 1080530

Horizon Medical Imaging Quotation Summary

Primary Quotation #H12NTV002-01

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

Net Total	\$ 15,800
------------------	------------------

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.



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
located at:
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
Third Party Software					
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
Subtotal Third Party Software					15,000
Professional Services					
2	1	INS100 74007667	Remote Installation Includes: - Remote implementation services for implementation of this quotation	800	800
Subtotal Professional Services					800
Grand Total					15,800

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



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

93901
Customer No. 1080530

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

Horizon Medical Imaging Maintenance Quotation

Segami Maintenance

\$ 2,700



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

Salinas, CA 93901

Customer No. 1080530

Revision Date: December 9, 2011

Project Name: Upgrade to PS360

Facility Name: Natividad Medical

Center

Contact Name: Chris Barry

Contact Number: (602) 663-4632

Horizon Medical Imaging Quotation Summary

Primary Quotation #D12NTV001-02

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

Net Total	\$ 34,713
------------------	------------------

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.



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) 663-4632
Revision Date: December 9, 2011

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



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

Horizon Medical Imaging Maintenance Quotation

Equipment Maintenance Not Provided

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. 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

MEETING:	June 15, 2010	AGENDA NO.:
SUBJECT:	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.	
DEPARTMENT:	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

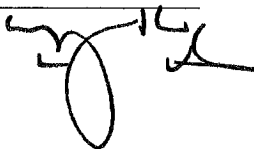
Chief Information Officer

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 15th day of June, 2010, by the following vote, to wit:

AYES: Supervisors Armenta, Calagano, 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

McKESSON
The Growing Future

Segami And Mammography Plus	Quote #8 (1-16CZD7)	Hardware and Software	Maintenance																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																							
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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
 Customer Number: TBD
 Contract Number: MA1011350

MCKESSON
 Empowering Healthcare

MCKESSON MASTER AGREEMENT

MCKESSON MASTER AGREEMENT ("MA") effective June 1, 2010 (the "Effective Date"), between Mckesson Technologies Inc., on behalf of itself and the Mckesson Affiliates ("Mckesson"), and 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 the MA Terms and Conditions and all Exhibits, Product Schedules, and Order Forms. This MA governs all Products and Services described on a Product Schedule that are licensed or purchased by Customer from Mckesson in the U.S. during the Term.

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

PRODUCT SCHEDULES		INCLUDED (as of Effective Date)
Product Schedule 1 (Hospital Solutions)	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Product Schedule 2 (Medical Imaging Solutions)	Yes <input checked="" type="checkbox"/> No <input 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)	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	

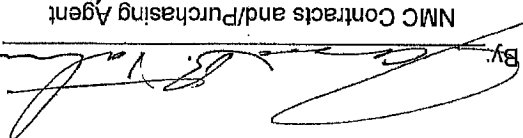
This MA is executed by an authorized representative of each party.

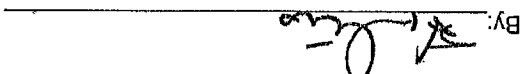
The County of Monterey, a political subdivision of the State of California, on behalf of Natividad Medical Center, an acute care teaching hospital owned and operated by the County
Customer Number: TBD
Contract Number: MA1011350

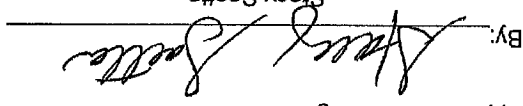
MCKESSON TECHNOLOGIES INC.

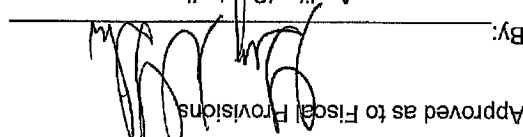
THE COUNTY OF MONTEREY, A POLITICAL
SUBDIVISION OF THE STATE OF
CALIFORNIA, ON BEHALF OF NATIVIDAD
MEDICAL CENTER, AN ACUTE CARE
TEACHING HOSPITAL OWNED AND
OPERATED BY THE COUNTY

By: _____
Name: _____
Title: _____
Date: _____

By: 
NMC Contracts and Purchasing Agent
Date: 6/13/10

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

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

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

Customer PO. No. _____
Customer Address: _____
168 West Alisal Street
3rd 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	()	()