



Amendment No. 1
of
Contract No. NC180000015
for
Medical Supply Contract
between
McKesson Medical-Surgical Inc. ("Contractor")
and the
City of Austin ("City")

- 1.0 The City hereby exercises this extension option for the subject contract. This extension option will be March 16, 2020 to December 31, 2020, utilizing U.S. Communities Contract Number: 12151. No option remains.
- 2.0 The total contract amount is increased by \$550,000.00 for the extension option period. The total Contract authorization is recapped below:

Term	Action Amount	Total Contract Amount
Basic Term: 03/16/2018 – 03/15/2020	\$1,100,000.00	\$1,100,000.00
Amendment No. 1: Option 1 03/16/2020 – 12/31/2020	\$550,000.00	\$1,650,000.00

- 3.0 MBE/WBE goals were not established for this contract.
- 4.0 By signing this Amendment, the Contractor certifies that the Contractor and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the General Services Administration (GSA) List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Austin.
- 5.0 All other terms and conditions remain the same.

BY THE SIGNATURES affixed below, this Amendment is hereby incorporated into and made a part of the above-referenced contract.

DocuSigned by:
Kimberly R. Zabriskie 3/19/2020
Signature: 98865F029FBE4D1...

Printed Name: Kimberly R. Zabriskie, Proposal Specialist
Authorized Representative

erin.dvincent@austintexas.gov
Signatureexas.gov
Erin D'Vincent, Procurement Supervisor
City of Austin
Purchasing Office

Digitally signed by
erin.dvincent@austintexas.gov
DN: cn=erin.dvincent@austintexas.gov
Date: 2020.03.19 11:12:42 -05'00'

McKesson Medical-Surgical Inc
P.O. Box 936279
Atlanta, Georgia 31193-6279
800-766-4633

**CONTRACT BETWEEN THE CITY OF AUSTIN (“City”)
AND
McKesson Medical-Surgical Inc. (“Contractor”)
for
Medical Supplies Contract
NC180000015**

This Contract is between McKesson Medical-Surgical Inc. (“Contractor”), having offices at Richmond, VA 23228 and the City of Austin (“City”), a home-rule municipality incorporated by the State of Texas, (collectively referred to as the “parties”) and is effective when signed by an authorized representative of the City. This Contract meets solicitation requirements by using Contractor’s U.S. Communities Contract Number: 12151.

1.1 This Contract is composed of the following documents:

1.1.1 U.S. Communities Contract Number 12151, dealer for McKesson Medical-Surgical Inc. including any and all supporting schedules and product availability and pricing located at:

<https://www.uscommunities.org/suppliers/premier-medical/mckesson/>

http://pccatalog.mckesson.com/publication/?m=35797&l=1#{%22issue_id%22:250102,%22page%22:0}

1.1.2 This Contract, including Exhibit A, Supplemental Provisions

1.2 **Order of Precedence.** Any inconsistency or conflict in the Contract documents shall be resolved by giving precedence in the following order:

1.2.1 This Contract, including Exhibit A, Supplemental Provisions

1.2.2 U.S. Communities Contract Number: 12151 including any and all supporting schedules, and product availability and pricing information as indicated in Section 1.1.1 herein.

1.3 **Quantity.** There is no minimum guaranteed quantity of goods or services to be purchased pursuant to this Contract.

1.4 **Term of Contract.** The Contract shall be in effect for an initial term of twenty four (24) months and may be extended thereafter for up to three (3) twelve (12) month extension option(s) subject to the extension of the cooperative contract (as referenced in Section 1.1.1 herein), and mutual approval of the parties.

1.4.1 **Renewal of City Contract.** City will review this Contract annually prior to November 20, 2019. An Amendment will be created identifying all of the approved Contractor's and their related cooperative contract numbers. The end date of the City's renewal option will be November 20, 2019, unless the cooperative contract ends prior to that date. Where the cooperative contract ends earlier, the Contract with the Contractor will terminate on the cooperative agreement end-date.

1.4.1.1. **Cooperative is Extended.** If the expiring cooperative agreement is extended, or if a new cooperative agreement is completed, the City will amend the Contract with the new information, only the Contractor involved will receive the Amendment for signature; Amendment copies will not be emailed to other Contractors.

- 1.5 **Compensation.** The Contractor shall be paid a total not-to-exceed amount of \$1,100,000.00 for the initial Contract term and \$550,000.00 for each extension option for a total amount not-to-exceed \$2,750,000.00 for this procurement.

This Contract (including any Exhibits) constitutes the entire agreement of the parties regarding the subject matter of this Contract and supersedes all prior and contemporaneous agreements and understandings, whether written or oral, relating to such subject matter. This Contract may be altered, amended, or modified only by a written instrument signed by the duly authorized representatives of both parties.

In witness whereof, the City has caused a duly authorized representative to execute this Contract on the date set forth below.

McKesson Medical-Surgical Inc.

CITY OF AUSTIN

Amanda Johnson

Printed Name of Authorized Person



Signature

Proposal Manager

Title:

3/15/2018

Date:

Marty James



Procurement Specialist III

Title:

03-15-2018

Date:

APPROVED BY:

Cyrenthia Ellis

Printed Name of Authorized Person



Signature

Procurement Manager

Title:

April 4, 2018

Date:

Exhibit A – City's Supplemental Terms and Conditions
Exhibit B – City of Austin Non-Discrimination Certificate

EXHIBIT A
SUPPLEMENTAL PROVISIONS

Designation of Key Personnel. The Contractor's Contract Manager for this engagement shall Fritz Cox; Phone: 512-401-2948; Email: Fritz.Cox@McKesson.com. The City's Contract Manager for the engagement shall be Saeed Azadi; Phone: (512) 972-5413 Email: Saeed.Azadi@austintexas.gov.

1. Invoices/Payment.

1.1 Invoices **shall contain a unique invoice number, the purchase order or delivery order number and the master agreement number, the Department's Name, and the name of the point of contact for the Department.** Invoices shall be itemized. The Contractor's name and, if applicable, the tax identification number on the invoice must exactly match the information in the Contractor's registration with the City. Unless otherwise instructed in writing, the City may rely on the remittance address specified on Contractor's invoice. Invoices received without all required information cannot be processed. All invoices must be forwarded to the City Department that placed the order and created the purchase order.

1.1.1. Federal Excise Taxes, State taxes, or City sales tax must not be included in the invoiced amount. The City will furnish a tax exemption certificate upon request.

1.2 Payment.

1.2.1. All proper invoices received by the City will be paid within thirty (30) calendar days of the City's receipt of the deliverables or of the invoice, whichever is later.

1.2.2. **If payment is not timely made, (per this paragraph), interest shall accrue on the unpaid balance at the lesser of the rate specified in Texas Government Code Section 2251.025 or the maximum lawful rate; except, if payment is not timely made for a reason for which the City may withhold payment hereunder, interest shall not accrue until ten (10) calendar days after the grounds for withholding payment have been resolved.**

1.2.3. The City may withhold or set off the entire payment or part of any payment otherwise due the Contractor to such extent as may be necessary on account of;

1.2.3.1. delivery of defective or non-conforming services by the Contractor;

1.2.3.2. third party claims the related to the Contractor's (including its employees, subcontractors, agents, or representatives) negligence, willful misconduct, or breach of a standard of strict liability, which are not covered by the insurance which the Contractor is required to provide;

1.2.3.3. failure of the Contractor to pay Subcontractors, or for labor, materials or equipment;

1.2.3.4. damage to the property of the City or the City's agents, employees or contractors due to the Contractor's (including its employees, subcontractors, agents, or representatives) negligence, willful misconduct, or breach of a standard of strict liability, which is not covered by insurance required to be provided by the Contractor;

1.2.3.5. reasonable evidence that the Contractor's obligations will not be completed within the time specified in the Contract, and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay;

1.2.3.6. failure of the Contractor to submit proper invoices with all required attachments and supporting documentation; or

1.2.3.7. failure of the Contractor to comply with any material provision of the Contract.

1.2.4. Notice is hereby given of Article VIII, Section 1 of the Austin City Charter which prohibits the payment of any money to any person, firm or corporation who is in arrears to the City for taxes, and of §2-8-3 of the Austin City Code concerning the right of the City to offset indebtedness owed the City.

1.2.5. Payment will be made by check unless the parties mutually agree to payment by credit card or electronic transfer of funds. The Contractor agrees that there shall be no additional charges, surcharges, or penalties to the City for payments made by credit card or electronic transfer of funds.

2. Contractor to Package Deliverables. The Contractor will package deliverables in accordance with good commercial practice and shall include a packing list showing the description of each item, the quantity unless otherwise provided in the Specifications or Supplemental Terms and Conditions, each shipping container shall be clearly and permanently marked as follows: (a) The Contractor's name and address; (b) the City's name, address and purchase order or purchase release number; (c) Container number; and, (d) the number of the container bearing the packing list. The

Contractor shall bear cost of packaging. Deliverables shall be suitably packed to secure lowest transportation costs and to conform to requirements of common carriers and any applicable specifications. The City's count or weight shall be final and conclusive on shipments not accompanied by packing lists.

3. No Replacement of Defective Tender. Every tender or delivery of deliverables must fully comply with all provisions of the Contract as to time of delivery, quality, and quantity. Any non-complying tender shall constitute a breach of the Contract, except where the time for performance has not yet expired and the Contractor has notified the City of its intention to cure the defect with conforming tender within the time allotted in the Contract. If the expiration of the time for performance has expired, the Contractor shall not have the right to substitute a conforming tender unless it receives written permission by the City to cure the defect.

4. Special Tools and Test Equipment. If the price stated on the cooperative contract includes the cost of any special tooling or special test equipment fabricated or required by the Contractor for the purpose of filling this order, such special tooling equipment and any process sheets related thereto shall become the property of the City and shall be identified by the Contractor as such.

5. Notices. Unless otherwise specified, all notices, requests, or other communications required or appropriate to be given under the Contract shall be in writing and shall be deemed delivered three (3) business days after postmarked if sent by U.S. Postal Service Certified or Registered Mail, Return Receipt Requested. Notices delivered by other means shall be deemed delivered upon receipt by the addressee. Routine communications may be made by first class mail, telefax, or other commercially accepted means. Notices to the City and the Contractor shall be addressed as follows:

To the City:

City of Austin, Purchasing Office
ATTN: Marty James
Procurement Specialist III
P.O. Box 1088
Austin, Texas 78767

To the Contractor:

McKesson Medical-Surgical Inc.
ATTN: Fritz Cox
9954 Mayland Drive, Suite 4000
Richmond, Virginia 23233

6. Termination for Cause. In the event of a default by the Contractor, the City shall have the right to terminate the Contract for cause, by written notice effective ten (10) calendar days, unless otherwise specified, after the date of such notice, unless the Contractor, within such ten (10) day period, cures such default, or provides evidence sufficient to prove to the City's reasonable satisfaction that such default does not, in fact, exist. The City may place Contractor on probation for a specified period of time within which the Contractor must correct any non-compliance issues. Probation shall not normally be for a period of more than nine (9) months; however, it may be for a longer period, not to exceed one (1) year, depending on the circumstances. If the City determines the Contractor has failed to perform satisfactorily during the probation period, the City may proceed with suspension. In the event of a default by the Contractor, the City may suspend or debar the Contractor in accordance with the "City of Austin Purchasing Office Probation, Suspension and Debarment Rules for Vendors" and remove the Contractor from the City's vendor list for up to five (5) years and any Offer submitted by the Contractor may be disqualified for up to five (5) years. In addition to any other remedy available under law or in equity, the City shall be entitled to recover all actual damages, costs, losses and expenses, incurred by the City as a result of the Contractor's default, including, without limitation, cost of cover, reasonable attorneys' fees, court costs, and prejudgment and post-judgment interest at the maximum lawful rate. All rights and remedies under the Contract are cumulative and are not exclusive of any other right or remedy provided by law.

7. Termination without Cause. The City shall have the right to terminate the Contract, in whole or in part, without cause any time upon thirty (30) calendar days' prior written notice. Upon receipt of a notice of termination, the Contractor shall promptly cease all further work pursuant to the Contract, with such exceptions, if any, specified in the notice of termination. The City shall pay the Contractor, to the extent of funds Appropriated or otherwise legally available for such purposes, for all goods delivered and services performed and obligations incurred prior to the date of termination in accordance with the terms hereof.

8. Insurance. The following insurance requirement applies.

8.1 General Requirements.

8.1.1. The Contractor shall carry insurance in the types and amounts indicated herein for the duration of the Contract.

8.1.2. The Contractor shall provide a Certificate of Insurance as verification of coverages required below to the City at the below address prior to contract execution and within fourteen (14) calendar days after written request

from the City.

8.1.3. The Contractor must also forward a Certificate of Insurance to the City whenever a previously identified policy period has expired, or an extension option or holdover period is exercised, as verification of continuing coverage.

8.1.4. The Contractor shall not commence work until the required insurance has been reviewed by City.

8.1.5. The Contractor's insurance coverage shall be written by companies with A.M. Best ratings of B+VII or better except for self-insurance and captive insurance.

The Certificate of Insurance shall be mailed to the following address:

City of Austin Purchasing Office
P. O. Box 1088 Austin,
Texas 78767

It is intended that policies required in the Contract shall be considered primary coverage for the sole negligent acts, errors or omissions caused by Contractor, except to the extent any liability, loss or damage is caused by the City.

8.1.6. If insurance policies are not written for, Specific Coverage Requirements herein, the Contractor shall carry Umbrella or Excess Liability Insurance for any differences in amounts specified. If Excess Liability Insurance is provided, it shall follow the form of the primary coverage.

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8.1.7. The Contractor shall be responsible for premiums, deductibles and self-insured retentions, if any, stated in policies. Contractor and its affiliates' use of self-insurance and captive insurance and captive insurance is deemed to satisfy all insurance requirements set forth under this entire Agreement.

8.1.8. The Contractor shall endeavor to provide the City thirty (30) calendar days written notice of erosion of the aggregate limits below occurrence limits for all applicable coverages indicated within the Contract.

8.2 Specific Coverage Requirements. The Contractor shall carry insurance in the types and amounts indicated below for the duration of the Contract, including extension options and hold over periods.

8.2.1. Commercial General Liability Insurance. The bodily injury and property damage per occurrence are \$500,000 and \$500,000 annual aggregate for coverages A (Bodily Injury and Property Damage) and B (Personal and Advertising Injuries). The policy shall contain the following provisions.

8.2.1.1. Contractual liability coverage for liability assumed under the Contract and all other Contracts related to the project.

8.2.1.2. Products/Completed Operations Liability.

8.2.1.3. Contractor shall endeavor to provide 30 days written notice to the City of Austin of cancellation of any of the required insurance policies, prior to policy expiration.

8.3. **Business Automobile Liability Insurance.** The Contractor shall provide coverage for all owned, non-owned and hired vehicles with a combined single limit of \$500,000 per accident for bodily injury and property damage:

8.3.1. Contractor shall endeavor to provide 30 days written notice to the City of Austin of cancellation of any of the required insurance policies, prior to policy expiration.

8.4. **Statutory Worker's Compensation and Employers' Liability Insurance.** Coverage shall be consistent with statutory benefits. The policy limits for Employer's Liability are \$100,000 bodily injury each accident, \$500,000 bodily injury by disease policy limit and \$100,000 bodily injury by disease each employee. The policy shall contain the following provisions:

8.4.1. The Contractor's policy shall be statutory.

8.4.2. Contractor shall endeavor to provide 30 days written notice to the City of Austin of cancellation of any of the required insurance policies, prior to policy expiration.

9. **Equal Employment Opportunity.** No Contractor or Contractor's agent shall engage in any discriminatory employment practice as defined in Chapter 5-4 of the City Code. No Bid submitted to the City shall be considered, or any Purchase Order issued, or any Contract awarded by the City unless the Contractor has executed and filed with the City Purchasing Office a current Non-Discrimination Certification. The Contractor shall sign and return the Non-Discrimination Certification attached hereto as Exhibit B. Non-compliance with Chapter 5-4 of the City Code may result in sanctions, including termination of the contract and the Contractor's suspension or debarment from participation on future City contracts until deemed compliant with Chapter 5-4.

9. **Non-Appropriation.** The awarding or continuation of this contract is dependent upon the availability of funding. The City's payment obligations are payable only and solely from funds Appropriated and available for this contract. The absence of Appropriated or other lawfully available funds shall render the Contract null and void to the extent funds are not Appropriated or available and any deliverables delivered but unpaid shall be returned to the Contractor. The City shall provide the Contractor written notice of the failure of the City to make an adequate Appropriation for any fiscal year to pay the amounts due under the Contract, or the reduction of any Appropriation to an amount insufficient to permit the City to pay its obligations under the Contract. In the event of non or inadequate appropriation of funds, there will be no penalty or removal fees charged to the City.

10. **Acceptance of Incomplete or Non-Conforming Deliverables.** If, instead of requiring immediate correction or removal and replacement of defective or non-conforming Deliverables, the City prefers to accept it, the City may do so. The Contractor shall pay all claims, costs, losses and damages attributable to the City's evaluation of and determination to accept such defective or non-conforming Deliverables. If any such acceptance occurs prior to final payment, the City may deduct such amounts as are necessary to compensate the City for the diminished value of the defective or non-conforming Deliverables. If the acceptance occurs after final payment, such amount will be refunded to the City by Contractor.

11. **Default.** The Contractor shall be in default under the Contract if the Contractor: (a) fails to fully, timely and faithfully perform any of its material obligations under the Contract; (b) fails to provide adequate assurance of performance when requested to do so by the City; (c) becomes insolvent or seeks relief under the bankruptcy laws of the United States; or, (d) makes a material misrepresentation in Contractor's Offer, or any report or deliverable required to be submitted by the Contractor to the City.

12. **Gratuities.** The City may, by written notice to the Contractor, cancel the Contract without liability if it is determined by the City that gratuities were offered or given by the Contractor or any agent or representative of the Contractor to any officer or employee of the City with a view toward securing a Contract or securing favorable treatment with respect to the awarding or amending or the making of any determination with respect to the performing of such contract.

13. **Independent Contractor.** The Contract shall not be construed as creating an employer/employee relationship, a partnership, or joint venture. The Contractor's services shall be those of an independent contractor. The Contractor agrees and understands that the Contract does not grant any rights or privileges established for the employees of the City.

14. **Dispute Resolution.**

14.1. If a dispute arises out of or relates to the Contract, or the breach thereof, the parties agree to negotiate prior to prosecuting a suit for damages. However, this section does not prohibit the filing of a lawsuit to toll the running of a statute of limitations or to seek injunctive relief. Either party may make a written request for a meeting between representatives of each party within fourteen (14) calendar days after receipt of the request or such later period as agreed by the parties. Each party shall include, at a minimum, one (1) senior level individual with decision-making authority regarding the dispute. The purpose of this and any subsequent meeting is to attempt in good faith to negotiate a resolution of the dispute. If, within thirty (30) calendar days after such meeting, the parties have not succeeded in negotiating a resolution of the dispute, they will proceed directly to mediation as described below. Negotiation may be waived by a written agreement signed by both parties, in which event the parties may proceed directly to mediation as described below.

14.2. If the efforts to resolve the dispute through negotiation fail, or the parties waive the negotiation process, the parties may select, within thirty (30) calendar days, a mediator trained in mediation skills to assist with resolution of the dispute. Should they choose this option, the City and the Contractor agree to act in good faith in the selection of the mediator and to give consideration to qualified individuals nominated to act as mediator. Nothing in the Contract prevents the parties from relying on the skills of a person who is trained in the subject matter of the dispute or a contract interpretation expert. If the parties fail to agree on a mediator within thirty (30) calendar days of initiation of the mediation process, the mediator shall be selected by the Travis County Dispute Resolution Center ("DRC"). The parties agree to participate in mediation in good faith for up to thirty (30) calendar days from the date of the first mediation session. The City and the Contractor will share the mediator's fees equally and the parties will bear their own costs of

participation such as fees for any consultants or attorneys they may utilize to represent them or otherwise assist them in the mediation.

15. Right to Assurance. Whenever one party to the Contract in good faith has reason to question the other party's intent to perform, demand may be made to the other party for written assurance of the intent to perform. In the event that no assurance is given within the time specified after demand is made, the demanding party may treat this failure as an anticipatory repudiation of the Contract.

16. Audits and Records.

16.1. The Contractor agrees that the representatives of the Office of the City Auditor or other authorized representatives of the City shall have access to, and the right to audit, examine, or reproduce, any and all records of the Contractor related to the performance under this Contract. The Contractor shall retain all such records for a period of three (3) years after final payment on this Contract or until all audit and litigation matters that the City has brought to the attention of the Contractor are resolved, whichever is longer. The Contractor agrees to refund to the City any overpayments disclosed by any such audit.

16.2. Records Retention:

16.1.1. For purposes of this subsection, a Record means all books, accounts, reports, files, and other data recorded or created by a Contractor in fulfillment of the contract.

16.2.1. All Records are the property of the City. The Contractor may not dispose of or destroy a Record without City authorization and shall deliver the Records, in all requested formats and media, along with all finding aids and metadata, to the City at no cost when:

16.2.1.1 requested by a director or an authorized City employee; or

16.2.1.1 the contract is completed or terminated.

17. Stop Work Notice. The City may issue an immediate Stop Work Notice in the event the Contractor is observed performing in a manner that is in violation of federal, state, or local guidelines, or in a manner that is determined by the City to be unsafe to either life or property. Upon notification, the Contractor will cease all work until notified by the City that the violation or unsafe condition has been corrected. The Contractor shall be liable for all costs incurred by the City as a result of the issuance of such Stop Work Notice.

18. Confidentiality. In order to provide the deliverables to the City, Contractor may require access to certain of the City's and/or its licensors' confidential information (including inventions, employee information, trade secrets, confidential know-how, confidential business information, and other information which the City or its licensors consider confidential) (collectively, "Confidential Information"). Contractor acknowledges and agrees that the Confidential Information is the valuable property of the City and/or its licensors and any unauthorized use, disclosure, dissemination, or other release of the Confidential Information will substantially injure the City and/or its licensors. The Contractor (including its employees, subcontractors, agents, or representatives) agrees that it will maintain the Confidential Information in strict confidence and shall not disclose, disseminate, copy, divulge, recreate, or otherwise use the Confidential Information without the prior written consent of the City or in a manner not expressly permitted under this Contract, unless the Confidential Information is required to be disclosed by law or an order of any court or other governmental authority with proper jurisdiction, provided the Contractor promptly notifies the City before disclosing such information so as to permit the City reasonable time to seek an appropriate protective order. The Contractor agrees to use protective measures no less stringent than the Contractor uses within its own business to protect its own most valuable information, which protective measures shall under all circumstances be at least reasonable measures to ensure the continued confidentiality of the Confidential Information.

19. Interpretation. The Contract is intended by the parties as a final, complete and exclusive statement of the terms of their agreement. No course of prior dealing between the parties or course of performance or usage of the trade shall be relevant to supplement or explain any term used in the Contract. Although the Contract may have been substantially drafted by one party, it is the intent of the parties that all provisions be construed in a manner to be fair to both parties, reading no provisions more strictly against one party or the other. Whenever a term defined by the Uniform Commercial Code ("UCC"), as enacted by the State of Texas, is used in the Contract, the UCC definition shall control, unless otherwise defined in the Contract.

20. Jurisdiction and Venue. The Contract is made under and shall be governed by the laws of the State of Texas, including, when applicable, the UCC as adopted in Texas, V.T.C.A., Bus. & Comm. Code, Chapter 1, excluding any rule or principle that would refer to and apply the substantive law of another state or jurisdiction. All issues arising from this

Contract shall be resolved in the courts of Travis County, Texas and the parties agree to submit to the exclusive personal jurisdiction of such courts. The foregoing, however, shall not be construed or interpreted to limit or restrict the right or ability of the City to seek and secure injunctive relief from any competent authority as contemplated herein.

21. McKesson Warranty. McKesson represents and warrants to customer that McKesson private label products shall be free from defects in material and workmanship for a period of ninety (90) calendar days from the date the deliverables are received by the City. McKesson's obligation under this warranty is limited to the repair or replacement of, or refund for, the affected product, at McKesson's option. This warranty will not apply: (1) If customer misused the McKesson private label product; (2) Alters or modifies the McKesson private label product in any way; or (3) resells the McKesson private label product or does not otherwise use or administer the private label product through its employees or authorized agents. Excluding McKesson private label products, McKesson makes no representation or warranty of any kind, express or implied, with respect to any product or services provided by McKesson including the warranty of the merchantability or the fitness for any particular use or purpose. The City shall look to the manufacturer of products and the provider of service for any warranty thereon. No agent, employee, or representative of McKesson has any authority to make any affirmation, representation, or warranty concerning products or services not set forth in the City contract.

EXHIBIT B
City of Austin, Texas
NON-DISCRIMINATION AND NON-RETALIATION CERTIFICATION

City of Austin, Texas
Equal Employment/Fair Housing Office

To: City of Austin, Texas,

I hereby certify that our firm complies with the Code of the City of Austin, Section 5-4-2 as reiterated below, and agrees:

- (1) Not to engage in any discriminatory employment practice defined in this chapter.
- (2) To take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without discrimination being practiced against them as defined in this chapter, including affirmative action relative to employment, promotion, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rate of pay or other forms of compensation, and selection for training or any other terms, conditions or privileges of employment.
- (3) To post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Equal Employment/Fair Housing Office setting forth the provisions of this chapter.
- (4) To state in all solicitations or advertisements for employees placed by or on behalf of the Contractor, that Contractor is an Equal Employment Opportunity employer.
- (5) To obtain a written statement from any labor union or labor organization furnishing labor or service to Contractors in which said union or organization has agreed not to engage in any discriminatory employment practices as defined in this chapter and to take affirmative action to implement policies and provisions of this chapter.
- (6) To cooperate fully with City and the Equal Employment/Fair Housing Office in connection with any investigation or conciliation effort of the Equal Employment/Fair Housing Office to ensure that the purpose of the provisions against discriminatory employment practices are being carried out.
- (7)

For the purposes of this Offer and any resulting Contract, Contractor adopts the provisions of the City's Minimum Standard Non-Discrimination and Non-Retaliation Policy set forth below.

City of Austin
Minimum Standard Non-Discrimination and Non-Retaliation in Employment Policy

As an Equal Employment Opportunity (EEO) employer, the Contractor will conduct its personnel activities in accordance with established federal, state and local EEO laws and regulations.

The Contractor will not discriminate against any applicant or employee based on race, creed, color, national origin, sex, age, religion, veteran status, gender identity, disability, or sexual orientation. This policy covers all aspects of employment, including hiring, placement, upgrading, transfer, demotion, recruitment, recruitment advertising, selection for training and apprenticeship, rates of pay or other forms of compensation, and layoff or termination. The Contractor agrees to prohibit retaliation, discharge or otherwise discrimination against any employee or applicant for employment who has inquired about, discussed or disclosed their compensation.

Further, employees who experience discrimination, sexual harassment, or another form of harassment should

immediately report it to their supervisor. If this is not a suitable avenue for addressing their complaint, employees are advised to contact another member of management or their human resources representative. No employee shall be discriminated against, harassed, intimidated, nor suffer any reprisal as a result of reporting a violation of this policy. Furthermore, any employee, supervisor, or manager who becomes aware of any such discrimination or harassment should immediately report it to executive management or the human resources office to ensure that such conduct does not continue.

Contractor agrees that to the extent of any inconsistency, omission, or conflict with its current non-discrimination and non-retaliation employment policy, the Contractor has expressly adopted the provisions of the City's Minimum Non-Discrimination Policy contained in Section 5-4-2 of the City Code and set forth above, as the Contractor's Non-Discrimination Policy or as an amendment to such Policy and such provisions are intended to not only supplement the Contractor's policy, but will also supersede the Contractor's policy to the extent of any conflict.

UPON CONTRACT AWARD, THE CONTRACTOR SHALL PROVIDE THE CITY A COPY OF THE CONTRACTOR'S NON-DISCRIMINATION AND NON-RETALIATION POLICIES ON COMPANY LETTERHEAD, WHICH CONFORMS IN FORM, SCOPE, AND CONTENT TO THE CITY'S MINIMUM NON-DISCRIMINATION AND NON-RETALIATION POLICIES, AS SET FORTH HEREIN, OR THIS NON-DISCRIMINATION AND NON-RETALIATION POLICY, WHICH HAS BEEN ADOPTED BY THE CONTRACTOR FOR ALL PURPOSES WILL BE CONSIDERED THE CONTRACTOR'S NON-DISCRIMINATION AND NON-RETALIATION POLICY WITHOUT THE REQUIREMENT OF A SEPARATE SUBMITTAL

Sanctions:

Our firm understands that non-compliance with Chapter 5-4 and the City's Non-Retaliation Policy may result in sanctions, including termination of the contract and suspension or debarment from participation in future City contracts until deemed compliant with the requirements of Chapter 5-4 and the Non-Retaliation Policy.

Term:

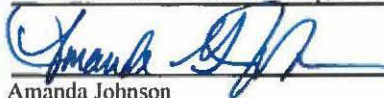
The Contractor agrees that this Section 0800 Non-Discrimination and Non-Retaliation Certificate of the Contractor's separate conforming policy, which the Contractor has executed and filed with the City, will remain in force and effect for one year from the date of filing. The Contractor further agrees that, in consideration of the receipt of continued Contract payment, the Contractor's Non-Discrimination and Non-Retaliation Policy will automatically renew from year-to-year for the term of the underlying Contract.

Dated this 15th day of March, 2018

CONTRACTOR
Authorized
Signature

Title

McKesson Medical-Surgical Inc.



Amanda Johnson

Proposal Manager




INSURANCE WAIVER REQUEST

Date 03-19-2018

Department Public Health

RX Number _____

Contractor/Vendor MCKESSON MEDICAL-SURGICAL INC (GEN2007500)

Description of Services Medical Supplies
 03-19-2018

Buyer Marty James, Procurement Specialist III

Insurance to be waived

General Liability	✓
Auto Liability	✓
Worker's Compensation	✓
Other	✓

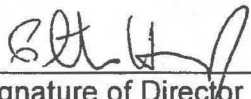
Additional Insured & Waiver of Subrogation Endorsements

Reason for request:

McKesson has been verified as a self-insured company.

Contractors Insured Plan does not offer these standard endorsements, however Department still wishes to move forward with the contract for business reasons.

I have been advised of the risk(s) of waiving insurance and hereby waive those insurance requirements shown for the above-mentioned contract.

 Health Authority 3/19/18
Signature of Director Date