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Quote Numbers: 00005514b and Q-00464a
Expiration Date: 2020-06-30

Sales Executive: Craig Barton
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Mental Health Institute
2277 Iowa Avenue
Independence, Iowa
United States, 50644

Contact Name: Charlie McCardle
Contact Email: cmccard@dhs.state.ia.us

Dear Charlie,

ARxIUM, Inc. is pleased to provide Iowa Department of Human Services with the following MedSelect proposal for an upgrade, restart and annual support.

MedSelect Solution Summary

The MedSelect automated dispensing cabinet technology solution is comprised of both the cabinet hardware and software that drives accurate dispensing and inventory management. MedSelect communicates with a health care organization's supply chain to manage, track, and store medication and patient medication information.

- Real-time inventory management of controlled substances and non-controlled substances in the cabinets
- The system is scalable with modular components customized to accommodate space requirements
- Ten years of live, on-line data available on demand to comprehensively evaluate usage trends, both by patient and by medication or supply
- Enhance nursing workflow to perform medication dispensing functions at the bedside
- No built-in obsolescence
- True Unit Dose Dispensing from the "Unit Dose Module" The nurse receives ONLY the dose needed, without access to any other narcotic. And not counting required by nursing
- Commitment to business partnership – we aren't successful unless our customers are successful
- Unmatched service and support – 24/7/365 phone support; local onsite service with a targeted response time of 4 hours.

Solution Overview

MedSelect is a safe and automated dispensing cabinet solution for medications and supplies. MedSelect automated dispensing cabinets efficiently store, dispense, track, and document medication and supply distribution. MedSelect provides barcode scan verification, smart and efficient design, secure dispensing, restricted access, data analytics engine, intuitive user-friendly interface, and on-board tutorials. MedSelect makes a health system more clinically and financially strategic, creating staff time savings, real-time perpetual inventory management, and improved patient safety and diversion control through secure dispensing and reporting.

MedSelect automated dispensing technology provides inventory control and just-in-time replenishment which reduces diversion and waste. MedSelect is used on nursing floors to provide secure access to medication and supplies even when the pharmacy is closed. MedSelect biometric ID reader assures controlled levels of access. MedSelect has offered barcode verification longer than any other ADC product on the market. Barcoding is integrated in all facets of the medication handling process from dispensing to returning and restocking. Barcode scanning ensures that the correct item is being stocked during replenishment and removed during dispense. Scan verification improves patient safety and eliminates the need for manually recording dispenses. Dispenses may include both stocked and virtual items.

Service and Reliability

The MedSelect solution offers reliable components that work every time and keep service calls to the bare minimum. MedSelect is built with a strong design; cabinet frames and drawers are made with steel. This robust design maximizes the life of the equipment and reduces the number of failure points. MedSelect customers typically report 99% up-time. ARxIUM has many MedSelect customers who have been using the same hardware for upwards of 20 years, only needing to replace the CPU components.

In the event that connection to the server is lost, the MedSelect ADCs will go "offline" however, the MedSelect ADCs will still be able to dispense medications until the server is accessible again. At this time, the MedSelect ADCs will come back online and load all dispense transactions into the database to assure all cabinet events are captured. In most cases we are able to troubleshoot and fix issues remotely within minutes. If one drawer is not working the remaining doors and drawers will function as normal.

However if the station is without power for a very extended length of time and even loses back-up battery power, and medications need to be retrieved from the system, manual access with keys is an option, naturally your policy would dictate where the keys are stored and who has access to the keys.

ARxIUM is prepared to support for our MedSelect products via 24 hours per day, 7 days per week telephone and remote support along with onsite support 7 days per week, 365 days per year including holidays.

Proprietary System

Iowa Department of Human Services existing MedSelect™ Flex™ dispensing stations are designed to work with the MedSelect™ Flex™ Software. All components were engineered and approved to only work together. Only licensed MedSelect™ software which is designed and serviced by ARxIUM, Inc. will communicate with your MedSelect dispensing stations. The software will manage, document and control all the medication activity for the dispensing stations. The MedSelect software will allow the Pharmacy to manage who and when the medications are accessed. It will track the loading, dispensing, returns and wasting of the medications at each station. As with all software, an annual licensing renewal is required for all MedSelect software applications in order to stay compliant.

The MedSelect™ dispensing stations cannot communicate with other vendor’s software, and no other vendors software is able to drive the MedSelect dispensing station hardware or connect to the MedSelect server.

Pricing

Year 1 – ending June 30, 2020 - Quote 00005514b

Product Code	Product Description	Quantity Purchased	Unit Price	Extended Price
MFRDCS	MedSelect Flex Resource Data Center, Standard Server	1.00	13,531.48	13,531.48
MFCON	MedSelect Flex Consulting and Professional Services	118.00	188.00	22,184.00
MFMOB	MedSelect Flex MedOrder Interface Bundle	1.00	6,445.71	6,445.71
Custom	MS MO Station Upgrade w/ CPU (MDTU)	4.00	4,500.00	18,000.00
	Total System Purchase Price			60,161.19
	Additional Discount			(6,016.12)
				54,145.07
	<i>Customer Savings Summary</i>			
	<i>List Price of above Equipment and Service</i>			86,192.51
	<i>Total Customer Discount</i>			(32,047.44)

Year 2 – July 1, 2020 – June 30, 2021 - Quote Q-00464a

EQUIPMENT RECERTIFICATION		\$TBD
Item	Description	Price
Labor – Time and Material	Onsite Service Labor – business hours – Mon – Fri, 8:00 am to 5:00 pm	\$262.00/hour
Parts – Time and Material	Service Parts	TBD

PREMIUM SUPPORT (EXISTING EQUIPMENT)				\$6,995.00
Product Code	Product Name	Qty	Unit Price	Net Total
SVCMSDMFL-PR	Equipment Support - MedSelect Flex - Premium Service, 24/7 - Drawer	3	\$360.00	\$1,080.00
SVCMSEX-PR	Phone Support and Annual License Fee - 24/7 - MedSelect - Examiner	2	\$121.00	\$242.00
SVCMSAWSITE-	Phone Support and Annual License Fee - 24/7 - MedSelect - Administrator's	2	\$1,650.00	\$3,300.00
SVCMSSELM-PR	Equipment Support - MedSelect - Premium Service, 24/7 - External Lock	4	\$110.00	\$440.00
SVCMSSELC-PR	Equipment Support - MedSelect - Premium Service, 24/7 - Electronic Lock	4	\$29.00	\$116.00
SVCMSSTM-PR	Equipment Support - MedSelect - Premium Service, 24/7 - Standard Tower	1	\$182.00	\$182.00
SVCMSUDM-PR	Equipment Support - MedSelect - Premium Service, 24/7 - Unit Dose Module	4	\$250.00	\$1,000.00
SVCMSSCAN-PR	Equipment Support - MedSelect - Premium Service, 24/7 - AWS/CT Scanner	1	\$275.00	\$275.00
SVCMSDMFL-PR	Equipment Support - MedSelect Flex - Premium Service, 24/7 - Drawer	1	\$360.00	\$360.00
Annual Total in USD				\$6,995.00

Quote Details

MFRDCS	MedSelect Flex Resource Data Center, Standard Server	<p>New MedSelect Windows Physical Server, and includes all required Oracle and Windows Licenses. This also includes transferring over all the data from your current MedSelect server and upgrading the server software to our latest released version.</p> <p>For details see the document below "Server Specifications" page 4</p>
MFCON	MedSelect Flex Consulting and Professional Services (118 Hours)	<p>Project Management, Remote and on-site Implementation Support, Pharmacy and Nursing Super User Training.</p> <p>For additional details see the attached document "Sample project plan"</p>
MFMOB	MedSelect Flex MedOrder Interface Bundle	<p>Includes the MedSelect side of the interface for the following interfaces with RxConnect;</p> <ul style="list-style-type: none"> • ADT • Medorders • Billing and Inventory <p>And includes Interface set-up, testing and go-live support, the specific details will be included in a mutually agreed upon project plan and timeline.</p> <p>For additional details see the attached document "MedSelectFlex Interface Testing Guide"</p>
MDTU	MS MO Station Upgrade w/	Four complete MedSelect Display Terminal upgrades which include: New

	<p>CPU (4 existing MedSelect stations)</p>	<p>Monitors, Keyboards, Win 10 computers, UPSs, barcode and biometric readers. These computers are specifying configured to operate the proprietary MedSelect cabinets. No other vendor could provide the necessary computers and software to drive the MedSelect Cabinets. This also includes upgrading the Display Terminal software to our latest released version.</p> <p>For specification information see below “MedSelect Win10 DT Client Specifications” on page 5</p>
<p>Equipment Recertification</p>	<p>Time & Material</p>	<p>ARXIUM will perform a re-certification of existing onsite MedSelect equipment to confirm the equipment is in working order. Any repairs or parts that may be required will be performed on a time and material basis. Service part prices vary based on the nature of the part. It is not possible to know in advance which part(s) may be required to repair a device as such, parts pricing will be provided upon invoicing. Any work to be performed outside the regular business hours delineated in the pricing table above are subject to additional rates.</p>
<p>Equipment Support</p>	<p>Premium Support Coverage</p>	<p>Premium support coverage includes the following:</p> <ul style="list-style-type: none"> • Phone and Remote Support <ul style="list-style-type: none"> ○ 24 hours/day, 7 days/week, 365 days a year access to ARXIUM customer support center ○ Unlimited phone and email support requests ○ Database support, remote diagnostics, software updates • Onsite Support <ul style="list-style-type: none"> ○ 24 hours/day, 7 days/week, 365 days a year – including holidays ○ Unlimited unscheduled onsite visits ○ Includes parts, labor and travel ○ Targeted onsite response time: 4 hours ○ Preferred labor rates for any service excluded from contract coverage

Standard Payment Terms

- (1) 50% due upon order acknowledgement. Work and orders of equipment and other supplies shall commence upon receipt of payment. Invoice due upon receipt.
- (2) 40% due prior to shipment. Invoice due upon receipt. Equipment will be shipped to Customer upon receipt of payment.
- (3) 10% to be paid upon (i) Customer’s receipt of Installation Notice (payable net 30 days) or (ii) 90 days subsequent to Delivery (due upon receipt), whichever is earlier.

Premium Equipment Support

- (1) Existing Equipment – due annually in advance.
- (2) New Equipment – pricing for support following warranty expiration on new equipment is not included in this proposal at this time. The associated pricing will be quoted at a later date, under separate cover.

Warranty

12 Months from the Customer's receipt of installation notice or 90 days subsequent to delivery, whichever is earliest.

Standard Terms

- (1) All quotes contained herein are firm until **2020-06-30** and all monetary amounts specified are in **USD** dollars.
- (2) Scope of work as defined within the Quote details above.
- (3) Shipping is included unless otherwise indicated. Applicable taxes are not included. Systems that require special handling or delivery (including, but not limited to, a forklift or other special equipment) during installation will have delivery charged separately.
- (4) Any facility construction and/or modification required to accommodate the equipment and software are the responsibility of the Customer and excluded from the net purchase price of this product.
- (5) Implementation Fee is applicable to services provided during regular business hours (8AM-5PM, Customer's local time, Monday through Friday, excluding holidays). Additional fees will be charged for services provided outside regular business hours.
- (6) If software is included in this quote, Customer may be subject to ongoing support and license fees which are payable to the company as long as the Customer uses the software.
- (7) This quote is subject to Electrical, Mechanical and Environmental specifications available upon request.

Server Specifications

The Resource Data Center (RDC) is the functional core of a MedSelect system. It includes a powerful server and houses all the software components that drive the MedSelect solution, including Administrative WorkStation, Centrack, reporting, Nurses Workstation, MedOrder and the MedSelect database. It also includes all the proper third party licensing (Windows®, Oracle®, etc).

Through the RDC, users will:

- Set-up global locations, med order routing, and access rights
- Define and manage inventory
- Manage user accounts
- Create and manage kits
- Enter, monitor and retrieve patient data
- Manage discrepancies
- Manage controls
- Run reports
- Sort, filter and search for data



The RDC allows your IT department to centrally manage system updates, network backups, and virus protection. The standard RDC is ideal for all locations that need high processing power. The system stores all events for up to ten years and provides immediate access to detailed reporting. In addition, the RDC can be used to push messages out to cabinet users, such as upcoming maintenance or changes in formulary.

SPECIFICATIONS

Standard Resource Data Center

Dell PowerEdge R330 Rack Mounted Server

Processor	Intel® Xeon E3-1240 v5, 3.5 GHz, Quad-Core CPU with HT
Disks	(4) 300 GB SAS hard drives configured into dual RAID 1 arrays
Memory	16 GB RAM
Standard Peripherals	Redundant power supplies, (2) 100/1000 NICs, iDRAC8
Warranty	5 year, 24/7 support
Footprint	(1U) 24.6" (D) x 1.68"(H) x 17.08"(W); 14.1 lbs

Software

Microsoft® Windows® Server 2016 64-bit operating system

Embedded Oracle® 12c R2 64-bit database management software

MedSelect 64-bit interface engine

MedSelect DT Win10 Client Specifications

- **Dimensions**
 - Chassis (H x W x D) – 100 x 338 x 379 mm (3.95 x 13.3 x 14.9 in)
- **Processor**
 - Dual Core or better
- **RAM**
 - 4 GB
- **Disks**
 - 128 GB C Drive (OS, Client Application Software)
- **NIC**
 - 1st NIC
 - 1 Gb/s Adapter (Connects to network)
- **Operating System**
 - Windows 10 IoT Enterprise LTSC (64-bit) or
 - Windows 7 Professional (32-bit)
- **Network**
 - 100 Mb/sec Ethernet Minimum, 1Gb/s Recommended
- **Ports**
 - 7x USB Ports (Keyboard, Biometric, Touch Screen, Label Printer, Receipt Printer, Card reader, ARxIUM Supplied USB to RS-485 Interface for MedSelect cabinet communication)