

COMMONWEALTH OF VIRGINIA  
MEMORANDUM OF UNDERSTANDING

THIS DOCUMENT CONSTITUTES AN AGREEMENT BETWEEN:

**Nova Biomedical**, hereinafter referred to as "Contractor",

AND

The **Department of Mental Health, Mental Retardation and Substance Abuse Services**, hereinafter referred to as "Contracting Agency"

AND IS DATED February 4, 2009.

CONTRACT NUMBER: #720C-04106-07M00

By result of negotiations between the parties, the following agreements are made:

1.0 The following DMHMRSAS facilities shall be participants under the above-referenced agreement and shall be provided with the following equipment and quantities:

Facility	Location	# of Meters/Docking Stations	# of Lantronix Devices, including cables, connectors, etc.
HDMC/CSH/SSVTC	Petersburg, VA	24/24	24
ESH	Williamsburg, VA	17/17	17
WSH	Staunton, VA	14/14	14
SWVMHI	Marion, VA	8/8	8
NVMHI	Falls Church, VA	5/5	5
SVMHI	Danville, VA	4/4	4

StatStrip Meters with Bar Code Readers - Nova Biomedical #42224. Includes five (5) year warranty, NovaNet Software, Program Manager Training, Applications Assistance for StatStrip Validation (Correlation, Precision & Linearity), and two (2) batteries.

Docking Stations with Power Supply - Nova Biomedical #42225. Includes five (5) year warranty.

2.0 Participating Facility Individual Point of Contact Information:

HDMC/CSH/SSVTC – Mr. Michael Howe (804) 524-4600 [michael.howe@hdmc.dmhmrzas.virginia.gov](mailto:michael.howe@hdmc.dmhmrzas.virginia.gov)

ESH – Mr. Jesse Waddy (757) 253-4001 [jesse.waddy@esh.dmhmrzas.virginia.gov](mailto:jesse.waddy@esh.dmhmrzas.virginia.gov)

WSH – Ms. Gail Burford (540) 332-8567 [gail.burford@wsh.dmhmrzas.virginia.gov](mailto:gail.burford@wsh.dmhmrzas.virginia.gov)

SWVMHI – Ms. Becky Barker (276) 783-1227 [becky.barker@swvmhi.dmhmrzas.virginia.gov](mailto:becky.barker@swvmhi.dmhmrzas.virginia.gov)

NVMHI – Ms. Lori Carter (703) 207-7319 [lori.carter@nvmhi.dmhmrzas.virginia.gov](mailto:lori.carter@nvmhi.dmhmrzas.virginia.gov)

SVMHI – Ms. Mary Womack (434) 773-4250 [mary.womack@svmhi.dmhmrzas.virginia.gov](mailto:mary.womack@svmhi.dmhmrzas.virginia.gov)

3.0 DMHMRSAS shall pay for the above referenced equipment, five (5) years of Laboratory Data Systems (LDS) AegisPOC Connectivity (includes seventy-two (72) Ethernet USB adapters w/cross-over cables), Applications Support for POC Training (8-hour shifts) through the case price (\$1,148.74) of the StatStrip Glucose Strips over a five (5) year period. DMHMRSAS commits to purchasing **732,600** StatStrip Glucose Strips (minimum of 407 cases) during the initial five (5) year contract period, which equates to a total purchase commitment value of \$467,537.18.

It is understood and agreed that DMHMRSAS shall be obligated to purchase from Nova Biomedical under the initial five (5) year contract term a total purchase commitment value of \$467,537.18. In the event DMHMRSAS does not meet the above-referenced total purchase commitment value of \$467,537.18 during the five (5) year contract period, Nova Biomedical agrees to allow the contract to be extended for an additional one (1) year period under the same terms and conditions to satisfy the total purchase commitment value of \$467,537.18.

In the event DMHMRSAS still has not met the total purchase commitment value after the additional one-year extension, DMHMRSAS shall be required to pay Nova Biomedical any unpaid balance owed under the contract or be allowed to purchase the necessary quantity of StatStrip Glucose Strips to satisfy the total purchase commitment value described above.

- 4.0 Once DMHMRSAS satisfies the purchase commitment quantity of 732,600 StatStrip Glucose Strips (407 Cases) , it is agreed that DMHMRSAS has fulfilled it's contractual obligations and all meters, docking stations and other equipment provided under this contract shall become the property of DMHMRSAS and/or it's facilities.
- 5.0 In the event DMHMRSAS desires to continue with a contractual relationship with Nova Biomedical once the identified purchase commitment quantity has been satisfied, Nova Biomedical agrees to lower the StatStrip Glucose Strip (#42214) case price to \$540.00 per case (FOB Destination – Standard Ground Freight Included). Control solution and linearity kits are not included in the StatStrip Glucose Strip case price and are sold separately at the prices outlined in the Standard Contract document. In addition, Nova Biomedical is willing to provide/offer an extended warranty on the StatStrip Meter with Bar Code Reader past the original five year contract term. It is agreed that the maximum annual cost per meter for this extended warranty shall not exceed \$225 per year and may be lower.
- 6.0 The following StatStrip information shall apply to this contract:
- Non-Sequestered lot StatStrips purchased by DMHMRSAS and/or its facilities shall have no less than a twelve (12) month shelf life (stability) upon receipt of product after order placement.
  - Sequestered lot StatStrips purchased by DMHMRSAS and/or its facilities shall have no less than an eighteen (18) month shelf life (stability). Nova Biomedical will allow a maximum of twelve (12) months estimated annual supply of StatStrips for any particular facility to be sequestered. DMHMRSAS fully understands that sequestered lot StatStrips requested for delivery by any participating DMHMRSAS facilities beginning with month seven (7) of the sequestered lot period, may have less than a twelve (12) months of shelf life when delivered. Requests to sequester a lot of StatStrips may be done at the beginning of the contract and/or every twelve months after the initial contract start date and may be renewed annually.
  - DMHMRSAS and/or its facilities may request sequestered lot order for one-time delivery of entire order or require that Nova Biomedical ship sequestered lot order in quarterly installments throughout the year as mutually set-up by the particular DMHMRSAS facility. Each individual facility must document request of sequestered strip volume with a minimum of 60 days notice and is committed to accepting the entire sequestered volume of test strips before expiration. Payment terms shall be FOB Destination/Freight Included with invoice payable within thirty (30) days upon receipt of goods or invoice whichever is later.
  - All StatStrips shall have 3-month open-vial stability.
  - All StatStrip assayed control solutions purchased by DMHMRSAS and/or its facilities shall have no less than 12 months shelf life (stability) upon receipt of product after order placement.

- 7.0 All purchases made by participating facilities for equipment, products and/or licenses prior to the start of the initial performance period of May 1, 2009 shall be at the agreed upon contract pricing as listed in the Standard Contract document dated February 4, 2009. In addition, all quantities of StatStrips purchased prior to start of the initial performance period of May 1, 2009 shall count towards DMHMRSAS's commitment quantities.
- 8.0 Each of the locations identified in 1.0 above shall order their own StatStrip Glucose Strips, control solutions, linearity kits and/or StatStrip Carrying Totes on an as-needed basis over the life of the contract and will execute orders through eVA, the Commonwealth of Virginia's internet electronic procurement solution. (As addressed in the above-referenced RFP, Section 7.0/General Terms and Conditions – Number 7.23/eVA Business-To-Government Vendor Registration). Facilities are required to either send via facsimile or e-mail a confirming copy of the eVA Purchase Order to Nova Biomedical. Use of Commonwealth of Virginia P-Card for individual orders that do not exceed \$5,000.00 will be accepted.
- 9.0 It is estimated that 1,440 bottles of the StatStrip Assayed Control Solution 3 (High) and 1,440 bottles of the StatStrip Assayed Control Solution 1 (Low) will be procured during the initial (five year) contract performance period.
- 10.0 It is understood and agreed that all products purchased by DMHMRSAS and/or it's facilities shall be used solely on inpatients, outpatients, staff, employees, or students for their own or dependents' use and not for resale in retail outlets
- 11.0 Nova Biomedical, with input from each of the facilities identified in Number 1.0 above, shall develop an implementation, installation and training plan (to include a "go-live" date) specific to each facility's needs and require each facility to provide written signoff showing approval of final plans. It shall be the responsibility of Nova Biomedical to provide the Contracting Agency via e-mail, a copy of each facilities approved plans to [mike.oprysko@co.dmhmrsas.virginia.gov](mailto:mike.oprysko@co.dmhmrsas.virginia.gov) within one (1) business day once each of the facilities plans have been approved.
- 12.0 Should DMHMRSAS desire to continue with AegisPOC connectivity past the initial five (5) year contract term, it is understood that the total cost for all of the facilities above for a maintenance and support agreement for LDS AegisPOC connectivity is **\$9,450.00** annually. This amount is based on maintenance on four (4) concurrent AegisPOC user software licenses. Should the number of licenses increase/decrease, the annual maintenance cost will be adjusted accordingly. Should this event occur, Nova Biomedical agrees to directly invoice each of the six (6) locations identified in 1.0 above the amount of **\$1,575.00** to cover the LDS system-wide support annual amount of **\$9,450.00**. In the event additional sites are added to the contract, DMHMRSAS shall request that Nova Biomedical directly invoice each facility an equal amount to cover the total amount owed for any maintenance and support agreement for LDS AegisPOC connectivity after the initial five (5) year period.
- 13.0 The LDS connectivity package includes the following:
- |        |  |
|--------|--|
| APOC1  | Four (4) AegisPOC Concurrent User Software Licenses        |
| MFAC   | Five (5) Aegis POC Multi-Facility Access Licenses          |
| GLU100 | Glucose Connectivity Licenses for up to 100 Devices        |
| LAN1   | Seventy-Two (72) Ethernet USB Adapters w/Cross-Over Cables |
| MAINT  | Five (5) Years AegisPOC Software Maintenance Agreement     |
- 14.0 All equipment being provided to DMHMRSAS and/or it's facilities under this contract shall be new, unused equipment, unless specifically allowed for and identified in the contract (See 15.0 below). All Nova Biomedical StatStrip and Express meters purchased individually, to include docking stations (if applicable) come with a 2-year warranty.

15.0 Any StatStrip Meter with Bar Code Reader that fails or is non-functioning on initial installation or within six (6) months after initial installation and was not caused by accident, neglect, misuse, altering the Nova Biomedical equipment, unfavorable environmental conditions, electric current fluctuations, worked performed by any other party other than an authorized Nova Biomedical representative or any force of nature will be replaced by a new factory built meter. After six (6) months from initial installation and for the remainder of the original warranty and as part of the extended warranty for the StatStrip Meter with Bar Code Reader and as part of original warranty and extended warranty for the Docking Station with Power Supply, it shall be at the discretion of Nova Biomedical to replace any non-functioning equipment under warranty with new or refurbished equipment.

Shipping costs to replace and/or return non-functioning equipment shall be the responsibility of Nova Biomedical and shall include overnight or second day delivery.

16.0 It shall be the responsibility of each facility to contact the toll-free Nova Biomedical Technical Support Hot Line (1-800-545-NOVA = 1-800-545-6682) to request a replacement StatStrip Meter with Bar Code Reader or Docking Station with Power Supply, obtain a return authorization and upon receipt of replacement equipment, return the non-functioning equipment in the same package the replacement equipment was shipped in.

17.0 Nova Biomedical agrees to provide at no-cost to each of the locations identified in 1.0, one (1) refurbished Nova Biomedical #42224 StatStrip Meter with Bar Code Reader for locations to use as a training meter throughout the contract term and any subsequent contract extension/renewal period. In the event any of these meters fail to operate appropriately, Nova Biomedical shall replace with another refurbished meter at no-cost and be responsible for standard ground shipping costs for replacement and return of defective meter.

18.0 Nova Biomedical agrees to provide at no-cost to each of the identified locations listed in 1.0 above twenty-five (25) Nova Max consumer grade retail meters for a total of one hundred fifty (150) no-cost consumer grade retail meters. Facilities may request these all at once at the beginning of the contract or incrementally over the life of the contract with the minimum being five (5) per request with the total not exceeding twenty-five (25) per facility.

19.0 In the event any DMHMRSAS facility desires to procure additional quantities of the Nova Max consumer grade retail meters, they may do so by executing a purchase order through eVA, the Commonwealth of Virginia's internet electronic procurement solution with Sanvita Inc., (eVA Vendor ID #VS0000038443) at a fixed priced of \$50.00 per each with the terms FOB Destination – Standard Freight Included.

20.0 It is understood by both parties that DMHMRSAS/Virginia Information Technologies Agency (VITA) is hosting the LDS AegisPOC application in a virtualized (dedicated) 32-bit server environment and that the following requirements must be met:

- Fixed IP address required for AegisPOC Server only.
- Workstations and instruments / devices can use DHCP.
- Workstations used for accessing the AegisPOC web application require no special software or hardware requirements.
- Hardware/Processor/RAM Memory Resources must be dedicated and fixed for the AegisPOC application equivalent (minimum) or greater processing power to the Quad Core Intel Xeon X5450, 3.0 GHz, 1333 MHz FSB processor and equivalent (minimum) or greater RAM memory of 4 GB.



## Software requirements

- Microsoft Internet Explorer 7.0 (workstations)
- Microsoft SQL Server 2005 (server)
- Windows Server 2003 operating system (server)
- Windows XP Pro or Windows Vista Business (workstations)
- Adobe Reader 6.0 (or higher) (workstations)
- .Net 3.5 Framework (server)
- Internet Information Service (server)
- Crystal Reports run-time engine (server)
- For PC workstations used to connect glucose devices via a serial or USB port – LDS will provide and install a serial control application called LDS Serial Connect.
- LDS VPN access required for product service and support

21.0 It is understood by both parties that the server being provided by DMHMRSAS/VITA shall be available by no later than March 15, 2009 for LDS to remotely install or for DMHMRSAS/VITA to download the necessary software to the server and to perform any necessary testing if applicable. Neither Nova Biomedical nor LDS shall be held accountable for any delays in the approved facilities implementation plan (to include installation, training and go-live date) that have been caused by DMHMRSAS, the six (6) facilities listed above or VITA's failure to meet its required implementation obligations. Delays caused as a result of conditions beyond any parties control such as, but not limited to, war, strikes, fires, floods, acts of God, and governmental restrictions, shall be deemed as unavoidable. Any revisions made to the implementation plans once they have been approved, shall be communicated back in writing to the facilities and to the DMHMRSAS Contracting Officer as mutually agreed upon. Nova Biomedical agrees to make a good faith effort to complete any installation that has been delayed by reasons beyond their control as expeditiously as possible.

22.0 In the event DMHMRSAS and/or its facilities encounter problems/issues with AegisPoc (Point-of-Care & Critical Care Connectivity & Information Management), facilities shall call LDS's "System Implementation and Support Team" toll-free at 877-627-8605. It is understood that the hours of operation are from 8 AM to 7 PM Eastern Time. A messaging system is in place during after hours and holidays with calls returned by a System Implementation Specialist within one-hour of initial phone call.

If DMHMRSAS and/or its facilities are unable to resolve any problem/issue related to AegisPoc to their satisfaction, facility shall contact DMHMRSAS Central Office who shall then contact the Nova Biomedical Account Representative to assist in resolving the problem/issue to the satisfaction of the facility.

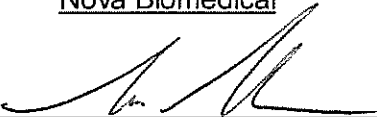
23.0 DMHMRSAS, the participating facilities and VITA (including Northrop Grumman) shall not be required to sign any document from Nova Biomedical or LDS that includes any terms and conditions. Documents requiring signature/date signoff such as to verify completion of implementation benchmarks, approvals, or to obtain input and/or information necessary for contract implementation are deemed acceptable. DMHMRSAS is in possession of LDS's Limited Software Guarantee/License document and agrees to adhere to the "Restrictions on Use" and "Remedy Guidelines" sections of this document.

24.0 Nova Biomedical shall provide (as required in the RFP, Section 3.0) on an annual basis or upon request, an annual report that is broken out by each facility that includes, the total dollar volume of purchases and the total number of units of each item ordered (cases of test strips, controls, linearity kits and/or other) under this contract.

25.0 It is understood and agreed by both DMHMRSAS and Nova Biomedical that LDS, currently residing at 5701 E. Hillsborough Avenue – Suite 1130, Tampa, Florida 33610 shall be required to complete a HIPAA Business Associate Agreement with DMHMRSAS prior to contract execution.


IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed intending to be bound thereby.

Nova Biomedical

By:   
Nick Theodore  
Vice President of Sales – North America

Date: 2/9/09

Department of Mental Health  
Mental Retardation  
and Substance Abuse Services

By:   
Joy S. Lazarus  
Director – Office of Administrative Services

By: 2/10/09