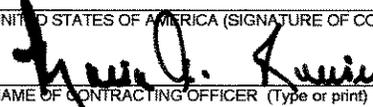


<b>SOLICITATION/CONTRACT/ORDER FOR COMMERCIAL ITEMS</b> <b>OFFEROR TO COMPLETE BLOCKS 12, 17, 23, 24, &amp; 30</b>				1. REQUISITION NUMBER		PAGE 1 OF 111 + 6 Attach.	
2. CONTRACT NO. V797P-1060		3. AWARD/EFFECTIVE DATE 1-20-2005		4. ORDER NUMBER		5. SOLICITATION NUMBER RFP-797-NC-04-006	
7. FOR SOLICITATION INFORMATION CALL:		a. NAME <b>Maria A. Ramirez, Contracting Officer</b>				b. TELEPHONE NUMBER (No collect calls) <b>(708) 786-5181</b>	
9. ISSUED BY: <b>Department of Veterans Affairs (049A1N2PV)</b> <b>National Acquisition Center, Bldg. #37</b> <b>P.O. Box 76</b> <b>First Avenue, One Block N. of Cermak Rd.</b> <b>Hines, IL 60141</b>		10. THIS ACQUISITION IS <input checked="" type="checkbox"/> UNRESTRICTED* <input checked="" type="checkbox"/> SET ASIDE: * % FOR * SMALL BUSINESS *See Part VI <input type="checkbox"/> 8(A) NAICS: 423450 SIZE STANDARD: 500		11. DELIVERY FOR FOB DESTINATION UNLESS BLOCK IS MAKRED <input type="checkbox"/> SEE SCHEDULE		12. DISCOUNT TERMS <b>Net 15</b>	
15. DELIVER TO <b>Delivery Addresses Shown on Delivery Orders</b>		16. ADMINISTERED BY <b>Same as Block #9</b>		13a. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 700) <input type="checkbox"/>		13b. RATING	
17a. CONTRACTOR/OFFEROR <b>DUNS+4 = 96-102-7315</b> <b>Cardinal Health 200, Inc.</b> <b>1430 Waukegan Road</b> <b>McGaw Park IL 60085</b> <b>TELEPHONE NO. 847-785-2609</b>		18a. PAYMENT WILL BE MADE BY <b>Payment address will be listed on individual delivery orders issued against this contract.</b>		14. METHOD OF SOLICITATION <input type="checkbox"/> RFQ <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFP			
<input checked="" type="checkbox"/> 17b. CHECK IF REMITTANCE IS DIFFERENT AND PUT SUCH ADDRESS IN OFFER		18b. SUBMIT INVOICES TO ADDRESS SHOWN IN BLOCK 18a UNLESS BLOCK BELOW IS CHECKED <input type="checkbox"/> SEE ADDENDUM					
19. ITEM NO.		20. SCHEDULE OF SUPPLIES/SERVICES		21. QUANTITY		22. UNIT	
		<b>PRIME VENDOR PROGRAM FOR THE DISTRIBUTION OF MEDICAL AND SURGICAL SUPPLIES AND RELATED SERVICES.</b>  <b>PLEASE REFER TO THE "STATEMENT OF WORK" OF THE SOLICITATION.</b>  <small>(Use Reverse and/or Attach Additional Sheets as Necessary)</small>				23. UNIT PRICE	
						24. AMOUNT	
25. ACCOUNTING AND APPROPRIATION DATA				26. TOTAL AWARD AMOUNT (For Govt. Use Only) <sup>Base</sup> <b>Estimated \$ 189,473,057 (Period)</b>			
<input type="checkbox"/> 27a. SOLICITATION INCORPORATES BY REFERENCE FAR 52.212-1, 52.212-4. FAR 52.212-3 AND 52.212-5 ARE ATTACHED. ADDENDA <input checked="" type="checkbox"/> ARE <input type="checkbox"/> ARE NOT ATTACHED				<input type="checkbox"/> 27b. CONTRACT/PURCHASE ORDER INCORPORATES BY REFERENCE FAR 52.212-4. FAR 52.212-5 IS ATTACHED. ADDENDA <input checked="" type="checkbox"/> ARE <input type="checkbox"/> ARE NOT ATTACHED			
x 28. CONTRACTOR IS REQUIRED TO SIGN THIS DOCUMENT AND RETURN COPIES TO ISSUING OFFICE. *Please refer to Part V for further instructions. CONTRACTOR AGREES TO FURNISH AND DELIVER ALL ITEMS SET FORTH OR OTHERWISE IDENTIFIED ABOVE AND ON ANY ADDITIONAL SHEETS SUBJECT TO THE TERMS AND CONDITIONS SPECIFIED HEREIN.				29. AWARD OF CONTRACT: RFP dtd. 11/29/04 & 12/16/04 YOUR OFFER ON SOLICITATION (BLOCK 5), INCLUDING ANY ADDITIONS OR CHANGES WHICH ARE SET FORTH HEREIN, IS ACCEPTED AS TO ITEMS. Please refer to attached "Summary of Award"			
30a. SIGNATURE OF OFFEROR/CONTRACTOR 				31a. UNITED STATES OF AMERICA (SIGNATURE OF CONTRACTING OFFICER) 			
30b. NAME AND TITLE OF SIGNER (Type or print) <b>David Goldsberry, Vice President</b> <b>Federal Government Business</b>		30c. DATE SIGNED <b>2/4/04</b>		31b. NAME OF CONTRACTING OFFICER (Type or print) <b>MARIA A. RAMIREZ</b> <b>Contracting Officer</b>		31c. DATE SIGNED <b>1/20/2005</b>	

SUMMARY OF AWARD

Addenda to Standard Form 1449 – Contract V797P-1060  
Page 2 of 5

Contractor: Cardinal Health 200, Inc.  
1430 Waukegan Road  
McGaw Park, IL 60085

Contract Number: V797P-1060

Payment Terms: Net 15 Days

Items Awarded: #3 (VISN 3)	#14 (VISN 16)
#4 (VISN 4)	#15 (VISN 17)
#5 (VISN 5)	#16 (VISN 18)
#6 (VISN 6)	#17 (VISN 19)
#7 (VISN 7)	#18 (VISN 20-Except Alaska)
#9 (VISN 9)	#19 (VISN 21-Except Hawaii)
#10 (VISN 10)	#20 (VISN 22)
#11( VISN 11)	#23 (Hawaii)
#12 (VISN 12)	#24 (Alaska)
#13 (VISN 15)	

Date of Award: January 20, 2005

Contract Period: All but Item #19 (VISN 21, except Hawaii), April 20, 2005 through December 19, 2006, with two 20-month renewable options.

Contract Period – Item #19 (VISN 21, except Hawaii): September 1, 2005 through December 19, 2006.

Implementation Period: All but Item #19 (VISN 21, except Hawaii) January 20, 2005 through April 19, 2005.

Implementation Period: Item #19 (VISN 21, except Hawaii) July 1, 2005 through August 31, 2005.

Estimated Value of Award:

- Value of Products: \$182,227,724
- Distribution fee: \$7,245,333
- Total Estimated Value of Award: \$189,473,057 Base Period

Distribution Fees:

- Conventional Deliveries:
  - 2.95% Base and each option period for VISNS 3-7, 9-12, 15-19, 20-22, except Alaska and Hawaii
  - 6.10% Base and each option period for Hawaii
  - 9.10% Base and each option period for Alaska
  
- Just-In-Time Deliveries:
  - 7.45% for the base and each option period for VISNS 3-7,9-12,15-19, 20-22-Except Alaska and Hawaii
  - 10.60% for the base and each option period for Hawaii.
  - 13.60% for the base and each option period for Alaska.

Fill Rates:

- Conventional Deliveries: 95%, 3 Bulk Deliveries per week, F.O.B. Destination
- Just-In-Time Deliveries: 98%, 5 Low Unit of Measure Deliveries per week, F.O.B. Destination

Emergency Deliveries: Two monthly deliveries per account provided at no cost.  
 Thereafter: \$145.00 per delivery trip.

<b>INCENTIVES</b>		
<b>Category</b>	<b>Achievement</b>	<b>Incentive Discount from Base Distribution Fee</b>
EDI - Individual Account	80-100% Electronic Order Entry Lines	-0.15%
Days Sales Outstanding - Individual Account	0-10 days w/Electronic Funds Transfer	-0.20%

**SUMMARY OF AWARD**

Addenda to SF 1449 – Contract V797P-1060

Page 4 of 5

**Conventional Delivery Method – CARDINAL HEALTH**

<b>VALUE-ADDED SERVICES</b>	<b>Adjustment To Conventional Base Distribution Fee.</b> <i>(Please indicate proposed adjustment as either an increase(+) or decrease (-) to the conventional base distribution fee. Please indicate “No Change” for no adjustment to conventional base distribution fee.)</i>
One delivery per week	<b><i>-.10%</i></b>
Two deliveries per week	<b><i>-.05%</i></b>
97% fill-rate	<b><i>+.20%</i></b>
Additional exterior delivery sites beyond the two required by the solicitation. (Delivery sites are located within the same Government complex).	<b><i>+.20% per delivery point</i></b>
Shelf Life Greater Than Six Months	<b><i>+.50%</i></b>
Bar Code Labels	<b><i>+1% or \$.15 per label</i></b>
Fill/Call	<b><i>NO EXTRA CHARGE</i></b>
<p>Custom Pallet Architecture – <b><i>Defined as Light material on top of heavy, cubed pallets, shrink-wrap like items together, labels facing out for ready identification of materials, over pack boxes used for safe and secure transport of small packages, nothing stacked over 8 feet, and deliveries are grouped packed and labeled by customer.</i></b></p> <p><b><i>Also defined as slip sheeting, department level P.O. separation (for LUM Departments-JIT Customers), item separation of stock from non-stock according to customer’s inventories, 6 foot pallet height limit, packing lists hand delivered, and/or license plate pallet ID tags.</i></b></p>	<p><i>(This adjustment should be proposed as both an adjustment to the conventional delivery method distribution fee and as a per activity flat fee.)</i></p> <p><b><i>Adjustment to Conventional Delivery: Fee for SPD ONLY:</i></b>  <b><i>1 Location +.35%</i></b>  <b><i>2-7 Locations +.65%</i></b>  <b><i>8-15 Locations +1%</i></b></p> <p><b><i>Flat Fee:</i></b>  <b><i>1 Location: \$25.00 (per location/per delivery)</i></b>  <b><i>2-7 Locations: \$50.00 (per location/per delivery)</i></b>  <b><i>8-15 Locations \$75.00 (per location/per delivery)</i></b></p>

**SUMMARY OF AWARD**

Addenda to SF 1449 – Contract V797P-1060

Page 5 of 5

**Just-In-Time Method – CARDINAL HEALTH 200, INC.**

<p><b>VALUE-ADDED SERVICES</b></p>	<p><b>Adjustment To Just-In-Time Base Distribution Fee.</b> <i>(Please indicate proposed adjustment as either an increase or decrease to the Just-in-Time Base Distribution Fee. Please indicate “No Change” for no adjustment to the Just-In-Time Base Distribution Fee.)</i></p>
<p>Saturday Deliveries</p>	<p><b>+5%</b></p>
<p>Sunday Deliveries</p>	<p><b>+5%</b></p>
<p>100% Fill-Rate</p>	<p><b>+25%</b></p>
<p>Delivery to 2-4 Floor Delivery Locations</p>	<p><b>2 Floors: +.90%</b>  <b>3 Floors: +1.05%</b>  <b>4 Floors: +1.20%</b>  <b>5 Floors: +1.35%</b>  <b>6 Floors: +1.5%</b>  <b>7 Floors: +1.65%</b></p>
<p>Shelf Life Greater Than Six Months</p>	<p><b>+5%</b></p>
<p>Bar-Code Labels</p>	<p><b>+80% or \$.12 per label</b></p>
<p>Fill/Call</p>	<p><b>NO EXTRA CHARGE</b></p>
<p>Custom Pallet Architecture – <i>Defined as Light material on top of heavy, cubed pallets, shrink-wrap like items together, labels facing out for ready identification of materials, over pack boxes used for safe and secure transport of small packages, nothing stacked over 8 feet, and deliveries are grouped packed and labeled by customer.</i>  <i>Also defined as slip sheeting, department level P.O. separation (for LUM Departments-JIT Customers), item separation of stock from non-stock according to customer’s inventories, 6 foot pallet height limit, packing lists hand delivered, and/or license plate pallet ID tags.</i></p>	<p><i>(This adjustment should be proposed as both an adjustment to the conventional base distribution fee and as a per activity flat fee.)</i></p> <p>Adjustment to Just-In-Time Delivery :                      Fee: <b>No Change</b></p> <p>Flat Fee: <b>No Change</b></p>