

State of Washington Contracts & Procurement Division Department of Enterprise Services P.O. Box 41411 Olympia, WA 98504-1411	CONTRACT AMENDMENT	
	Contract No.:	26323
McKesson Medical-Surgical 9954 Mayland Drive, Suite 5176 Henrico, VA 23233	Amendment No.:	1
	Effective Date:	November 1, 2024

FIRST AMENDMENT
TO
PARTICIPATION AGREEMENT FOR SOURCEWELL AGREEMENT 0022422-MML
WASHINGTON STATEWIDE CONTRACT NO. 26323
MEDICAL SUPPLIES

This First Amendment (“Amendment”) to Participation Agreement No. 26323 is made and entered into by and between the State of Washington acting by and through the Department of Enterprise Services, a Washington State governmental agency (“Enterprise Services”) and McKesson Medical-Surgical Government Solutions, a Limited Liability Corporation (“Contractor”) and is dated as of November 1, 2024.

RECITALS

- A. Enterprise Services and Contractor (collectively the “Parties”) entered into that certain Participation Agreement for Sourcewell Agreement 0022422-MML, Washington Statewide Contract No. 26323 dated effective as of August 1, 2023 (“Contract”).
- B. The Parties now desire to amend the Participation Agreement to include a ‘pay equality provision’ as required by the Washington State Legislature. See [LAWS OF 2023, ch. 475](#), § 919(4).
- C. The Parties further desire to amend the Participation Agreement to include a ‘nondiscrimination provision’ as required by the Washington State Legislature. See [LAWS OF 2023, ch. 468](#) [codified at [RCW 39.26.245\(3\)](#) and [RCW 49.60.530](#)].
- D. The amendment set forth herein is within the scope of the Contract.

AGREEMENT

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth herein, the Parties hereby agree to amend the Participation Agreement follows:

- 1. **PAY EQUALITY.** The following provision is added to the end of section 5.8 (Contractor Representations and Warranties) as a new subsection:

5.8.4 WASHINGTON STATE PAY EQUALITY FOR 'SIMILARLY EMPLOYED' INDIVIDUALS. Contractor represents and warrants that, among Contractor's employees, 'similarly employed' individuals are compensated as equals. For purposes of this provision, employees are similarly employed if the individuals work for the same employer, the performance of the job requires comparable skill, effort, and responsibility, and the jobs are performed under similar working conditions. Job titles alone are not determinative of whether employees are similarly employed. Contractor may allow differentials in compensation for Contractor's workers based in good faith on any of the following: a seniority system; a merit system; a system that measures earnings by quantity or quality of production; a bona fide job-related factor or factors; or a bona fide regional difference in compensation levels. A bona fide job-related factor or factors may include, but is not limited to, education, training, or experience that is: consistent with business necessity; not based on or derived from a gender-based differential; and accounts for the entire differential. A bona fide regional difference in compensation level must be consistent with business necessity; not based on or derived from a gender-based differential; and account for the entire differential. Notwithstanding any provision to the contrary, upon breach of warranty and Contractor's failure to provide satisfactory evidence of compliance within thirty (30) days, Enterprise Services may suspend or terminate this Contract and any Purchaser hereunder similarly may suspend or terminate its use of the Contract and/or any agreement entered into pursuant to this Contract.

2. NONDISCRIMINATION. The following provision is added to the end of section 9 (General) as a new subsection:

(e) NONDISCRIMINATION.

(a) Nondiscrimination Requirement. During the term of this Contract, beginning as of the effective date of this Amendment, Contractor, including any subcontractor, shall not discriminate on the bases enumerated at RCW 49.60.530(3). In addition, Contractor, including any subcontractor, shall give written notice of this nondiscrimination requirement to any labor organizations with which Contractor, or subcontractor, has a collective bargaining or other agreement.

(b) Obligation to Cooperate. Contractor, including any subcontractor, shall cooperate and comply with any Washington state agency investigation regarding any allegation that Contractor, including any subcontractor, has engaged in discrimination prohibited by this Contract pursuant to RCW 49.60.530(3).

(c) Default. Notwithstanding any provision to the contrary, Enterprise Services may suspend Contractor, including any subcontractor, upon notice of a failure to participate and cooperate with any state agency investigation into alleged discrimination prohibited by this Contract, pursuant to RCW 49.60.530(3). Any such suspension will remain in place until Enterprise Services receives notification that Contractor,

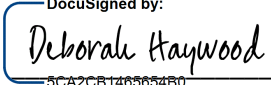
including any subcontractor, is cooperating with the investigating state agency. In the event Contractor, or subcontractor, is determined to have engaged in discrimination identified at RCW 49.60.530(3), Enterprise Services may terminate this Contract in whole or in part, and Contractor, subcontractor, or both, may be referred for debarment as provided in RCW 39.26.200. Contractor or subcontractor may be given a reasonable time in which to cure this noncompliance, including implementing conditions consistent with any court-ordered injunctive relief or settlement agreement.

(d) Remedies for Breach. Notwithstanding any provision to the contrary, in the event of Contract termination or suspension for engaging in discrimination, Contractor, subcontractor, or both, shall be liable for contract damages as authorized by law including, but not limited to, any cost difference between the original Contract and the replacement or cover contract and all administrative costs directly related to the replacement contract, which damages are distinct from any penalties imposed under Chapter 49.60, RCW. Enterprise Services and/or Purchasers shall have the right to deduct from any monies due to Contractor or subcontractor, or that thereafter become due, an amount for damages Contractor or subcontractor will owe Enterprise Services and/or Purchasers for default under this provision.

3. NO CHANGE OTHER THAN AMENDMENT. Except as amended herein, the Contract is unaffected and remains in full force and effect.
4. INTEGRATED AGREEMENT; MODIFICATION. This Amendment constitutes the entire agreement and understanding of the Parties with respect to the subject matter and supersedes all prior negotiations and representations. In the event of any conflict between this Amendment and the Contract or any earlier amendment, this Amendment shall control and govern. This Amendment may not be modified except in writing signed by the Parties.
5. AUTHORITY. Each party to this Amendment, and each individual signing on behalf of each party, hereby represents and warrants to the other that it has full power and authority to enter into this Amendment and that its execution, delivery, and performance of this Amendment has been fully authorized and approved, and that no further approvals or consents are required to bind such party.
6. ELECTRONIC SIGNATURES. An electronic signature or electronic record of this Amendment or any other ancillary agreement shall be deemed to have the same legal effect as delivery of an original executed copy of this Amendment or such other ancillary agreement for all purposes.
7. COUNTERPARTS. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original, and all of which counterparts together shall constitute the same instrument which may be sufficiently evidenced by one counterpart. Execution of this Amendment at different times and places by the parties shall not affect the validity thereof so long as all the parties hereto execute a counterpart of this Amendment.

EXECUTED AND EFFECTIVE as of the day and date first above written.

**MCKESSON MEDICAL-SURGICAL GOVERNMENT
SOLUTIONS
A LIMITED LIABILITY CORPORATION**

DocuSigned by:

By: _____
Name: Deborah Haywood
Title: Vice President, General Manager
Date: 10/28/2024

**STATE OF WASHINGTON
DEPARTMENT OF ENTERPRISE SERVICES**

By: Nick Ioanna
Name: Nicholas Ioanna
Title: Procurement Supervisor
Date: Oct 29, 2024







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Final Audit Report

2024-10-29

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