



DELIVERED ELECTRONICALLY

March 31, 2017

Donna Jerry
 Senior Health Policy Analyst
 Green Mountain Care Board
 89 Main St., City Center
 Montpelier, VT 05620
 802-828-2918

RE: Docket No. GMCB-007-17con, Proposed Purchase of Mako Robotic Arm System

Dear Ms. Jerry: *Donna*

In follow up to your letter dated March 23, please see our responses below:

Question:

Provide a spreadsheet showing line items and a break down of all costs to make the robotic arm fully operational in Year 1, 2 and 3 of operation and specify 12-month period for each. The total cost must include the equipment, service contracts, warranty contracts, all hardware, software, consultant, travel and training costs, and any foreseeable or known maintenance costs not covered by service or warranty contracts.

Response:

There are no other expenses associated with this purchase relative to service, supports, updates, trainings, and/or additional equipment. In year 2 & 3 the Optional Service Agreement picks up those items that were part of the warranty for the contracted cost. Below are expenses for years 1-3.

Mako Robotic Arm Operational Costs Years 1-3			
	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
System Cost	\$950,000	\$0	\$0
1 year Warranty	\$0	N/A	N/A
* Travel	Incl.		
* Labor & Parts	Incl.		
* Software Upgrades	Incl.		
* PM Services	Incl.		
* Loaners	Incl.		
* Reliablitiy Updates	Incl.		
* 24 On-site Service Response	Incl.		
* Intrument Replacment & Parts	Incl.		
Service Contract (Years 2-5) OPTIONAL	N/A	\$95,000	\$95,000
* Travel		Incl.	Incl.

* Labor & Parts		Incl.	Incl.
* Software Upgrades		Incl.	Incl.
* PM Services		Incl.	Incl.
* Loaners		Incl.	Incl.
* Reliablitiy Updates		Incl.	Incl.
* 24 On-site Service Response		Incl.	Incl.
* Intrument Replacment & Parts		Incl.	Incl.
Training & Certification	\$0	\$0	\$0
* All current and future staff & surgeons			
On-Site FT Mako Prod Specialist Support	\$0	\$0	\$0

Question:

Confirm whether the two-page quote provided is a summary or a full quote. If the quote is a summary, provide a copy of the detailed quote showing what is being purchased, associated costs and total cost.

Response:

The 2-page Executive Summary is the entire list of items for this transaction and does outline the service & warranty details. There is an executable Purchase Agreement that is more robust and involved around language, but the same list of items are embedded in that document as well. See *Attachment 1*.

Question:

The two-page quote expires on March 31, 2017. Will the quote likely be extended for another month or so?

Response:

On the attached spreadsheet you will see under notes Stryker's commitment to hold the proposal pricing until April 30th, 2017. Once we have the GMCB's decision to move forward Stryker will extend the outlined pricing in the Purchase Agreement. See *Attachment 2*.

As always, if you have any questions, please do not hesitate to contact me at (802) 257-8243.

Sincerely,

Steven R. Gordon
 CEO /PRESIDENT
 Brattleboro Memorial Hospital
 Brattleboro, VT 05301

Attachment 1.

RE: Docket No. GMCB-007-17con, Proposed Purchase of Mako Robotic Arm System



Mako Surgical Corp.
2555 Davie Road
Fort Lauderdale, FL 33317
t: 954 927 2044 f: 954 927 0446
www.stryker.com

MAKO™ ROBOTIC ARM SYSTEM

Executive Summary

PREPARED FOR: Brattleboro Memorial Hospital
OFFER EXPIRATION DATE: March 31, 2017 (Extended to: April 30, 2017)
Date Created: 2/23/2017

EQUIPMENT

MAKO™ ROBOTIC ARM SYSTEM AND APPLICATION(S)

Mako™ System with Partial Knee Application				
QTY.	PART #	EQUIPMENT	List Price	Discounted Price
1	210000	Stryker Robotic Arm System (Mako™/RIO®)		
		Includes:		
1	209999	RIO® Surgical Arm		
1	207110	RIO® Guidance Module		
1	209927	RIO® Camera Stand Assembly		
1	211394	RIO® Accessory Kit 3.0		
1	211845	Mako™ Partial Knee Application INCLUDES:		
1	100020	RESTORIS® Partial Knee Software License		
2	111758	MAKOplasty® Partial Knee End Effector		
2	151030	MAKOplasty® Partial Knee Array Kit		
1	200681	MAKOplasty® Partial Knee CT Scan Kit		
1	110570	IMP DeMayo Leg Positioner - 25" Kit		
2	EMAX2PLUS	Anspach EMAX 2 Plus Motor		
2	EMAX2-TRAY	Anspach EMAX 2		

		Sterilization Case/Tray		
2	ACB	Anspach EMAX 2 Cleaning Brush		
4	LONG-HD	Anspach EMAX 2 Long Attachment		
1	203997	Surgeon & Surgical Staff Training, Knee		
1	212025	MAKO PKA 2.5/RIO 3.0 User Manuals Master CD		
2	200004	MAKO PKA CT Scanning Protocol		
1	201845	MAKO PKA Instrument Cleaning and Sterilization Guide		
TOTAL			\$1,015,000	\$650,000

MAKO Total Knee Application				
Min. Qty.	PART#	EQUIPMENT	LIST PRICE	DISCOUNTED PRICE
1	212183	MAKO Total Knee Application Includes:		
1	212184	MAKO Total Knee Software License		
2	151050	MAKO MICS Handpiece & Knee Attachment Kit		
2	151100	MAKO Knee Array/Balancing Tray Kit		
2	151150	Leg Positioner Tray Kit		
1	212199	MAKO TKA User Manuals Master CD		
1	210551	MAKO TKA Instrument Cleaning and Sterilization Guide		
2	200004	MAKO Knee Scanning Protocol		
1	212249	Surgeon & Surgical Staff Training, Total Knee		
TOTAL			\$400,000	\$300,000

- Total Knee Application will be installed following commercial release and upon availability for shipment to customer's facility.

WARRANTY & SERVICE AGREEMENT

Purchase includes one (1) year standard warranty on the originally installed Equipment. Thereafter, Customer may enter into a Service Agreement for four (4) years beginning one year after the installation of the Equipment.

- Service coverage includes all hardware, firmware, installation, parts, labor and preventive maintenance (excluding damage due to vandalism).
- On-site response within twenty four (24) hours, during local business hours. Local business hours are Monday through Friday, excluding holidays from 8:00 a.m. to 5:00 p.m.
- Loaner Equipment may be shipped for continuing downtime of forty eight (48) hours or more.
- Replacement parts as required on an exchange basis, excluding consumable items.
- Travel and related expenses to and from service site.

Attachment 2.

SERVICE CONTRACT ANNUAL COST \$95,000
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OTHER KEY TERMS:

OFFER EXPIRATION DATE: March 31, 2017 (Extended to: April 30, 2017)

Robotic-Arm Destination Agreement

In recognition of their shared interest in educating prospective patients and health care professionals concerning the benefits of robotic-arm assisted surgery as a treatment option for certain conditions, Mako Surgical Corp. ("Stryker Mako") encourages Customer to partner with Stryker Mako in the development and promotion of Customer's facility as a Robotic-Arm Destination offering a state-of-the-art robotic-arm assisted surgery program. Customer and Stryker Mako would collaborate to support efforts related to marketing, public relations and patient education. In addition, Stryker Mako will assign a Marketing Specialist to collaborate with employee(s) of Customer and its surgeons to implement a number of best practices established in robotic-arm assisted surgery sites across the country.