

AN ORDINANCE

An Ordinance of the County of Allegheny, Commonwealth of Pennsylvania approving the disposition of personal property as set forth in a purchase offer memorandum dated October 31, 2008, from Administrative Resources, Inc. to the County of Allegheny.

WHEREAS, the County of Allegheny has been a dues paying member of a purchasing cooperative organized under the auspices of the Hospital Council of Western Pennsylvania known as Administrative Resources, Inc. (hereinafter "ARI"), which does business under the name of Amerinet Central; and

WHEREAS, the use of ARI/Amerinet Central cooperative has enabled the County to receive savings in the form of patronage dividends on purchases of supplies and other necessary items for the John J. Kane Regional Centers and the County Health Department; and

WHEREAS, effective July 1, 2007, ARI converted from a Subchapter T cooperative to a Pennsylvania for-profit corporation and issued common stock to all of its dues paying members; and

WHEREAS, ARI's conversion from Subchapter T cooperative to a Pennsylvania for-profit corporation has resulted in the County being presented with 17,333 uncertificated shares of common stock in ARI; and

WHEREAS, Section Nine of Article IX of the Pennsylvania Constitution forbids any unit of local government from becoming a stockholder in any company, association or corporation; and

WHEREAS, upon ARI learning of the constitutional provision prohibiting any unit of local government from becoming a stockholder in any company, association or corporation, it sent memorandum dated October 31, 2008 to the County Controller in which ARI offered to purchase all of the ARI stock owned by the County.

Now, therefore, the Council of the County of Allegheny hereby enacts as follows:

Section 1. INCORPORATION OF PREAMBLE

The provisions set forth in the preamble to this Ordinance are incorporated by reference in their entirety herein.

Section 2. DISPOSITION OF COUNTY-OWNED ARI STOCK

County Council does hereby approve of the disposition of personal property as set forth in ARI's offer to purchase the 17,333 uncertificated shares of common stock in ARI, which is set forth in ARI's purchase offer memorandum dated October 31, 2008, and incorporated by reference in its entirety herein and attached hereto as Exhibit "A".

Section 3. SEVERABILITY

If any provision of this Ordinance shall be determined to be unlawful, invalid, void or unenforceable, then that provision shall be considered severable from the remaining provisions of this Ordinance which shall be in full force and effect.

Section 4. REPEALER

Any Resolution or Ordinance or part thereof conflicting with the provisions of this Ordinance is hereby repealed in so far as the same affects this Ordinance.

Enacted in Council, this 17th day of February, 2009

Council Agenda No. 4588-09


Rich Fitzgerald
President of Council

Attest: John Mascio
John Mascio
Chief Clerk of Council

Chief Executive Office February 24, 2009.

Approved: Dan Onorato
Dan Onorato
Chief Executive

Attest: Donna Beltz
Donna Beltz
Executive Secretary

SUMMARY OF LEGISLATION

The County of Allegheny has been a dues paying member of a purchasing cooperative organized under the auspices of the Hospital Council of Western Pennsylvania known as Administrative Resources, Inc. (“ARI”), which does business under the name of Amerinet Central. Effective July 1, 2007, ARI converted from a Subchapter T cooperative to a Pennsylvania for-profit corporation and issued common stock to all of its dues paying members. ARI’s conversion from Subchapter T cooperative to a Pennsylvania for-profit corporation has resulted in the County being presented with 17,333 uncertificated shares of common stock in ARI. Section Nine of Article IX of the Pennsylvania Constitution forbids any unit of local government from becoming a stockholder in any company, association or corporation. Upon ARI learning of the constitutional provision prohibiting any unit of local government from becoming a stockholder in any company, association or corporation, it sent memorandum dated October 31, 2008 to the County Controller in which ARI offered to purchase all of the ARI stock owned by the County. This legislation would ratify the agreement of sale between the County and ARI.

M E M O R A N D U M

OFFICE OF THE COUNTY MANAGER

TO: John Mascio
Chief Clerk

ALLEGHENY COUNTY COUNCIL

'09 JAN 29 AM11:43

FROM: James M. Flynn, Jr.
County Manager

JF

DATE: January 29, 2009

RE: Proposed Ordinance

Attached is an Ordinance approving the disposition of personal property as set forth in a purchase offer memorandum dated October 31, 2008, from Administrative Resources, Inc. to the County of Allegheny.

The Allegheny County Law Department has reviewed this legislation prior to submitting it to Council.

I am requesting that this item be placed on the agenda at the next Regular Meeting of Council.



Owner Investor of Amerinet, Inc.

Administrative Resources Incorporated
500 Commonwealth Drive
Warrendale, PA 15086

800-837-5800 TOLL FREE
724-772-7250 FACSIMILE
www.amerinet-gpo.com

October 31, 2008

Mr. Mark Flaherty
Controller's Office
Allegheny County
Allegheny County Courthouse
436 Grant Street - Room 211
Pittsburgh, PA 15219-2498

Dear Mr. Flaherty:

Effective July 1, 2007 Administrative Resources, Inc. ("ARI") unanimously adopted an organizational change, when it converted from a Subchapter T cooperative to a Pennsylvania for-profit business corporation.

As a result of this conversion you became a registered owner of 17,333 uncertificated shares of common stock in ARI. If registered owner has multiple entities see attached.

ARI recently became aware that certain governmentally-owned entities may be prohibited by law from holding stock in a for-profit corporation. Therefore, we are presenting the opportunity for your facility, as a governmentally-owned facility to sell its shares back to ARI; the details of the offer are presented in the attached Purchase Offer Memorandum.

No alternative, conditional or contingent tenders will be accepted. By executing the Letter of Transmittal, each tendering Holder waives any right to receive any notice of the acceptance of such Holder's tender.

All questions as to the validity, form, eligibility (including time of receipt) and acceptance for payment of any tender of Shares will be determined by ARI, in its sole discretion, and ARI's determination shall be final and binding on all parties. ARI reserves the absolute right to reject any or all tenders determined by it not to be in proper form or the acceptance for payment of which may, in the opinion of ARI, be unlawful. ARI also reserves the absolute right to waive any of the conditions of the Offer and any defect or irregularity in the tender of any particular Shares. ARI's interpretation of the terms and conditions of the Offer (including these instructions) shall be final and binding on all parties. No tender of Shares will be deemed properly made until all defects or irregularities have been cured or waived. Neither ARI nor any other person is or will be obligated to give notice of any defects or irregularities in tenders, and none of them will incur any liability for failure to give any notice.

We would encourage you to take the time to review the Purchase Offer Memorandum and if you elect to tender your shares, respond immediately by returning the completed and signed Letter of Transmittal (Tender Offer Acceptance Form) as indicated below, as soon as possible by one of the means set forth below. Please call Barbara McDowell, billing associate at 800-837-5800 ext 7361, if you have any questions.

Each Holder tendering Shares is required to provide to ARI a correct Taxpayer Identification Number on Form W-9, a copy of which is included with the Letter of Transmittal. Failure to provide the information on Form W-9 may subject the tendering Holder to a \$50 penalty and a 28% federal backup withholding tax may be imposed on the payments made to the tendering Holder or other payee with respect to Shares purchased pursuant to the Offer.

RESPONSE NECESSARY BY: January 31, 2009

By Facsimile:

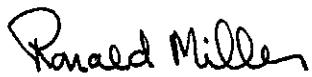
Send the above mentioned documents by facsimile to Barbara McDowell, billing specialist at (724) 553-3663.

By Mail:

Return the above mentioned documents by first-class mail in the enclosed postage paid envelope to:

Administrative Resources, Inc.
Attention: Barbara McDowell
500 Commonwealth Drive
Warrendale, PA 15086-9908

Sincerely,



Ronald Miller, President Administrative Resources, Inc.

Enclosures: Multisite Detail Report
Purchase Offer Memorandum
Letter of Transmittal
W-9 Form

Letter of Transmittal

(Tender Offer Acceptance Form)

The undersigned governmentally-owned entity hereby irrevocably tenders to Administrative Resources, Inc. ("ARI" or the "Company"), the shares of common stock (the "Shares") of ARI identified on Schedule A attached hereto in exchange for \$8.44 per Share (the "Share Price"), in accordance with the terms and subject to the conditions of the Purchase Offer Memorandum dated October 31, 2008 (the "Purchase Offer Memorandum"). Capitalized terms used but not otherwise defined herein have the meanings assigned to such terms in the Purchase Offer Memorandum.

- 1. Tender of Shares.** Set forth below are the number of Shares of ARI that are held by the undersigned and that it wishes to tender in the Offer described in the Purchase Offer Memorandum.
- 2. Transfer, Representations, Other Documents, Etc.** Subject to acceptance by ARI of any of the Shares tendered with this Letter of Transmittal and payment of the Share Price for those Shares by ARI, the undersigned hereby irrevocably sells, assigns, transfers and delivers to or upon the order of ARI, all right, title and interest in and to all of those Shares for which the Share Price is paid, and authorizes any officer of the Company to transfer ownership of the Shares tendered in this Letter of Transmittal to the Company. The undersigned understands that ARI will withhold from the Share Price federal, state and local income tax as may be required by law and as described in the Purchase Offer Memorandum.

The undersigned hereby represents and warrants to ARI that (i) the undersigned has received and reviewed the Purchase Offer Memorandum, (ii) the undersigned has full power and authority to sell, assign and transfer the Shares tendered with this Letter of Transmittal and has had the opportunity to ask questions and receive answers concerning the terms and conditions of the Offer and to obtain sufficient information from ARI, (iii) the Shares tendered with this Letter of Transmittal are owned by the undersigned and are free and clear of any lien, pledge, security interest, restriction or other encumbrance whatsoever, (iv) upon acceptance by ARI of the Shares tendered with this Letter of Transmittal, ARI will acquire good title to the Shares, free and clear of all liens, encumbrances, restrictions and other objections or exceptions and (v) all of the Shares owned by the undersigned have been tendered in the Offer.

Upon request, the undersigned will execute and deliver any additional documents deemed by ARI to be necessary or desirable to complete the sale, assignment and transfer of Shares tendered with this Letter of Transmittal.

The undersigned acknowledges that Shares tendered to ARI may not be withdrawn except as provided in the Purchase Offer Memorandum, and that ARI may terminate the Offer at any time as described in the Purchase Offer Memorandum.

All authority conferred or agreed to by this Letter of Transmittal shall survive the death or incapacity of the undersigned, and any obligation of the undersigned under this Letter of Transmittal shall be binding upon all heirs, personal representatives, successors and assigns of the undersigned.

The undersigned tenders its Shares on the terms described above and in the Purchase Offer Memorandum.

Number of Shares Tendered: 17,333

Name of Shareholder: Allegheny County

Address: Allegheny County Courthouse, 436 Grant Street - Room 211

Pittsburgh, PA 15219-2498

Name of Contact Person regarding Sale: _____

Title of Contact Person regarding Sale: _____

Phone Number: _____

E-mail Address: _____

Signature _____

Print name _____

Title _____

Date _____

Please execute and return this Letter of Transmittal (Tender Offer Acceptance Form) to Barbara McDowell, billing associate, Administrative Resources, Inc., 500 Commonwealth Drive, Warrendale, PA 15086-7516. Fax 724-553-3663/Phone 800-837-5800 extension 7361.

Administrative Resources, Inc.
Shareholder Multisite Detail of Share Distributions

Date of Issuance	Distribution of Equity Details	Shareholder Name	Shareholder Fac No	Facility Name with Equity Balance	Fac No	Equity Balance	# of Issued Shares
7/2/2007	FY 2005 Equity & Prior Years	ALLEGHENY COUNTY	13695	JOHN J KANE ROSS TWP RG CTR	3655	2,126.17	
			13695	JOHN J KANE SCOTT TWP RG CTR	3656	2,740.73	
			13695	JOHN J KANE MCKEEESPORT RG CTR	3657	2,680.27	
			13695	JOHN J KANE GLEN HAZEL RG CTR	3659	44,783.53	
			13695	JOHN J KANE REG CTRS/ADMN	3660	31,046.89	
			13695	ALLEGHENY COUNTY HEALTH	18130	87.00	
			13695	ARSENAL HEALTH CENTER	18167	4,405.00	
		ALLEGHENY COUNTY Total				87,869.59	8,787
9/13/2007	FY 2005 Equity & Prior Equity Years	ALLEGHENY COUNTY	13695	JOHN J KANE ROSS TWP RG CTR	3655	61.00	
			13695	JOHN J KANE SCOTT TWP RG CTR	3656	128.00	
			13695	JOHN J KANE MCKEEESPORT RG CTR	3657	197.00	
			13695	JOHN J KANE GLEN HAZEL RG CTR	3659	3,794.00	
			13695	JOHN J KANE REG CTRS/ADMN	3660	193.00	
			13695	ALLEGHENY COUNTY HEALTH	18130	160.00	
			13695	ARSENAL HEALTH CENTER	18167	992.00	
		ALLEGHENY COUNTY Total				5,525.00	553
9/13/2007	Equity 10/1/06-12/31/06	ALLEGHENY COUNTY	13695	JOHN J KANE ROSS TWP RG CTR	3655	98.00	
			13695	JOHN J KANE SCOTT TWP RG CTR	3656	199.00	
			13695	JOHN J KANE MCKEEESPORT RG CTR	3657	211.00	
			13695	JOHN J KANE GLEN HAZEL RG CTR	3659	3,777.00	
			13695	JOHN J KANE REG CTRS/ADMN	3660	240.00	
			13695	ALLEGHENY COUNTY HEALTH	18130	191.00	
			13695	ARSENAL HEALTH CENTER	18167	289.00	
		ALLEGHENY COUNTY Total				5,005.00	501
12/14/2007	Residual Equity	ALLEGHENY COUNTY	13695	JOHN J KANE ROSS TWP RG CTR	3655	1,067.28	
			13695	JOHN J KANE SCOTT TWP RG CTR	3656	1,862.59	
			13695	JOHN J KANE MCKEEESPORT RG CTR	3657	2,202.65	
			13695	JOHN J KANE GLEN HAZEL RG CTR	3659	43,228.15	
			13695	JOHN J KANE REG CTRS/ADMN	3660	7,421.60	
			13695	ALLEGHENY COUNTY HEALTH	18130	322.45	
			13695	ARSENAL HEALTH CENTER	18167	5,170.00	
		ALLEGHENY COUNTY Total				61,274.72	6,268
3/14/2008	Equity 11/1/07-6/30/07	ALLEGHENY COUNTY	13695	JOHN J KANE ROSS TWP RG CTR	3655	290.00	
			13695	JOHN J KANE SCOTT TWP RG CTR	3656	413.00	
			13695	JOHN J KANE MCKEEESPORT RG CTR	3657	353.00	
			13695	JOHN J KANE GLEN HAZEL RG CTR	3659	9,360.00	
			13695	JOHN J KANE REG CTRS/ADMN	3660	486.00	
			13695	ALLEGHENY COUNTY HEALTH	18130	710.00	
			13695	ARSENAL HEALTH CENTER	18167	622.00	
		ALLEGHENY COUNTY Total				12,234.00	1,224
		Total of Uncertificated ARI Shares					17,333