

**CONTRACT #1**  
**RFS # 317.03-134-07**  
**FA # 07-16892-02**

**Finance and Administration**  
**Edison Project**

**VENDOR:**  
**MAXIMUS**



STATE OF TENNESSEE  
**DEPARTMENT OF FINANCE AND ADMINISTRATION**  
ENTERPRISE RESOURCE PLANNING DIVISION  
162 THIRD AVENUE NORTH  
NASHVILLE, TENNESSEE 37243  
(615) 253-2725  
FAX (615) 253-2980

DAVE GOETZ  
COMMISSIONER

STEPHANIE RICHARDSON  
DIRECTOR

**RECEIVED**

MAR 24 2009

**FISCAL REVIEW**

**MEMORANDUM**

TO: Leni S. Chick, Fiscal Analyst, Fiscal Review Committee

FROM: Mike Morrow, Deputy Commissioner, Finance and Administration  
Stephanie Richardson, Edison Project Director

DATE: March 23, 2009

SUBJECT: Summary Letter for MAXIMUS Contract Amendment for Stimulus/Delay  
to Implementation Schedule

This memo is to provide justification for the requested contract amendment effective date for Contract # FA-07-16892-02 with MAXIMUS, Inc. As outlined in the Request for Non-Competitive Amendment documentation, the amendment changes section A.4 of the contract to add scope for staffing to support the The American Recovery and Reinvestment Bill of 2009 and its impact to the Edison Financials/Supply Chain Management (FSCM) implementation. The amendment adds \$1,030,000.00 to the maximum contract liability and to the change order dollars to support this scope of work. The delay to move our larger and more complex agencies to a third wave is necessary to provide these agencies with time to develop new contracts or modify existing contracts and grants to take advantage of the federal stimulus under our legacy system and existing business processes. A move to Edison and new business processes under the aggressive time lines outlined under the Reinvestment Act would significantly increase risk to the State's ability to leverage the Federal stimulus. The requested amendment effective date of April 7, 2009 is to enable us to continue with critical contractor staffing skills and capabilities without interruption or delay.

Please let me know if you need additional information. Thank you.

sr

Supplemental Documentation Required for  
Fiscal Review Committee

*Contact Name:	Stephanie Richardson		*Contact Phone:	615-253-2725	
*Contract Number:	FA-07-16892-02		*RFS Number:	317.03-134-07	
*Original Contract Begin Date:	July 24, 2006		*Current End Date:	July 23, 2011	
Current Request Amendment Number: <i>(if applicable)</i>	Three				
Proposed Amendment Effective Date: <i>(if applicable)</i>	April 7, 2009				
*Department Submitting:	Finance & Administration				
*Division:	ERP				
*Date Submitted:	March 24, 2009				
*Submitted Within Sixty (60) days:	No				
<i>If not, explain:</i>	Due to Federal Stimulus spending				
*Contract Vendor Name:	MAXIMUS, Inc.				
*Current Maximum Liability:	\$66,127,547.00				
*Current Contract Allocation by Fiscal Year: <i>(as Shown on Most Current Fully Executed Contract Summary Sheet)</i>					
FY:2007	FY:2008	FY:2009	FY:2010	FY:2011	FY
\$42,589,807	\$17,095,340	\$6,052,200	\$390,000	\$100	\$
*Current Total Expenditures by Fiscal Year of Contract: <i>(attach backup documentation from STARS or FDAS report)</i>					
FY:2007	FY:2008	FY:2009	FY:	FY	FY
\$22,157,329	\$17,809,939	\$18,110,125. 92	\$	\$	\$
IF Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:			N/A		
IF surplus funds have been carried forward, please give the reasons and provide the authority for the carry forward provision:			N/A		
IF Contract Expenditures exceeded Contract Allocation, please give the reasons and explain how funding was acquired to pay the overage:			N/A		
*Contract Funding Source/Amount:	State:	\$66,127,547	Federal:		
Interdepartmental:			Other:		

Supplemental Documentation Required for  
Fiscal Review Committee

If "other" please define:	
Dates of All Previous Amendments or Revisions: <i>(if applicable)</i>	Brief Description of Actions in Previous Amendments or Revisions: <i>(if applicable)</i>
Method of Original Award: <i>(if applicable)</i>	RFP
Include a detailed breakdown of the actual expenditures anticipated in each year of the contract. Include specific line items, source of funding, and disposition of any excess fund. <i>(if applicable)</i>	
Include a detailed breakdown, in dollars, of any savings that the department anticipates will result from this contract. Include, at a minimum, reduction in positions, reduction in equipment costs, reduction in travel. <i>(if applicable)</i>	
Include a detailed analysis, in dollars, of the cost of obtaining this service through the proposed contract as compared to other options. <i>(if applicable)</i>	

**NON-COMPETITIVE AMENDMENT REQUEST:****RECEIVED**

MAR 24 2009

**FISCAL REVIEW**

APPROVED

Commissioner of Finance &amp; Administration

1) RFS #	317.03-134-07	
2) Procuring Agency :	Finance and Administration	
<b>EXISTING CONTRACT INFORMATION</b>		
3) Service Caption :	Enterprise Resource Planning (ERP) integration services	
4) Contractor :	MAXIMUS, Inc.	
5) Contract #	FA-07-16892-00	
6) Contract Start Date :	July 24, 2006	
7) CURRENT Contract End Date : (if ALL options to extend the contract are exercised)	July 23, 2011	
8) CURRENT Maximum Cost : (if ALL options to extend the contract are exercised)	\$66,127,547.00	
<b>PROPOSED AMENDMENT INFORMATION</b>		
9) Amendment #	003	
10) Amendment Effective Date : (attached explanation required if < 60 days after F&A receipt)	April 7, 2009	
11) PROPOSED Contract End Date : (if ALL options to extend the contract are exercised)	July 23, 2011	
12) PROPOSED Maximum Cost : (if ALL options to extend the contract are exercised)	\$67,157,547.00	
13) Approval Criteria : (select one)	<input checked="" type="checkbox"/> use of Non-Competitive Negotiation is in the best interest of the state <input type="checkbox"/> only one uniquely qualified service provider able to provide the service	
14) Description of the Proposed Amendment Effects & Any Additional Service :	Amendment adds contract funding to extend key contractor resources in support of extension of Wave 3 implementation due to Federal Stimulus funds processing.	
15) Explanation of Need for the Proposed Amendment :	Additional contractor staffing needed to support delayed Wave 3 implementation	
16) Name & Address of Contractor's Current Principal Owner(s) : (not required for a TN state education institution)	Richard A. Montoni	
17) Office for Information Resources Endorsement : (required for information technology service; n/a to THDA)	Documentation is ... <input type="checkbox"/> Not Applicable to this Request <input checked="" type="checkbox"/> Attached to this Request	
18) eHealth Initiative Endorsement : (required for health-related professional, pharmaceutical, laboratory, or imaging service)	Documentation is ... <input checked="" type="checkbox"/> Not Applicable to this Request <input type="checkbox"/> Attached to this Request	

<b>19) Department of Human Resources Endorsement :</b> (required for state employees training service)
Documentation is ... <input checked="" type="checkbox"/> <b>Not Applicable to this Request</b> <input type="checkbox"/> <b>Attached to this Request</b>
<b>20) Description of Procuring Agency Efforts to Identify Reasonable, Competitive, Procurement Alternatives :</b>
n/a – Must continue with current vendor to meet critical time frames and leverage our investment to date.
<b>21) Justification for the Proposed Non-Competitive Amendment :</b>
Amendment is critical to minimize risk to agencies receiving significant stimulus funds. The extension allows Wave 3 agencies to begin stimulus activities under the legacy systems and business processes while allowing more time for Edison readiness.
<b>AGENCY HEAD SIGNATURE &amp; DATE :</b> (must be signed & dated by the <u>ACTUAL</u> procuring agency head as detailed on the Signature Certification on file with OCR— signature by an authorized signatory will be accepted only in documented exigent circumstances)
 3/25/09



# FAX/EMAIL TRANSMITTAL

to Request OIR Procurement Endorsement

**TO :** Jane Chittenden, Director  
OIR Procurement & Contract Management      **FAX #** 741-6164

**FROM :** Stephanie Richardson, ERP Project  
Director      **FAX #** 253-2980

**DATE :** March 24, 2009

**RFS #** 317.03-134-07

**RE :** Procurement Endorsement — Enterprise Resource Planning (ERP)  
Integration Services

**INFORMATION SYSTEMS PLAN PROJECT:** N/A

**NUMBER OF FAX PAGES (including cover) :** N/A

The nature and scope of service detailed in the attached service procurement document(s) appears to require Office for Information Resources (OIR) review and support, because the procurement involves information technology or information systems services.

This communication seeks to ensure that OIR is aware of the procurement and has an opportunity to review the matter. Please determine whether OIR is supportive of the procurement. If you have any questions or concerns about this matter, please call **Stephanie Richardson** at **253-2725**.

**Please indicate below your response to this proposed procurement, and return this communication at your earliest convenience (note the return FAX number above).**

Thank you for your help.

Attachment(s)

Must include the entire contract or amendment document and where applicable, the non-competitive contract or amendment request form. The original contract and any prior amendments that were applied to the same section of the contract must be provided with an amendment. Electronic copies of the contract, amendments, and request form without signature are acceptable.

RFP documents must be provided in electronic form.

**OIR Endorsement :**

*Mark Bengel* (Signature)  
OIR Chief Information Officer

3/24/09  
Date

## C O N T R A C T   A M E N D M E N T   C O V E R

<b>RFS Tracking #</b>	<b>Edison Contract ID #</b>	<b>Amendment #</b>
<b>317.03-134-07</b>		<b>03</b>

<b>Amendment Purpose</b>	<b>Delegated Authority Requisition ID # (ONLY if applicable)</b>
Add Change Order Dollars for Extension of FSCM Wave 3 Implementation	

<b>Contractor/Grantee</b>	<b>Contractor/Grantee FEIN or SSN</b>
MAXIMUS, Inc.	<input type="checkbox"/> C- or <input checked="" type="checkbox"/> V- . 54-1000588

<b>Begin Date</b>	<b>End Date</b>	<b>Subrecipient or Vendor</b>	<b>CFDA #(s)</b>
July 24, 2006	July 23, 2011	<input type="checkbox"/> Subrecipient <input checked="" type="checkbox"/> Vendor	

FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2007	\$41,990,444.00				\$41,990,444.00
2008	\$17,694,703.00				\$17,694,703.00
2009	\$6,608,400.00				\$6,608,400.00
2010	\$863,800.00				\$863,800.00
2011	\$100.00				\$100.00
2012	\$100.00				\$100.00
<b>TOTAL:</b>	<b>67,157,547.00</b>				<b>67,157,547.00</b>

<b>— COMPLETE FOR AMENDMENTS —</b>			<b>Procuring Agency Contact &amp; Telephone #</b>		
<b>FY</b>	<b>Base Contract &amp; Prior Amendments</b>	<b>THIS Amendment ONLY</b>	Stephanie Richardson, 253-2725		
2007	\$41,990,444.00		<b>Procuring Agency Budget Officer Approval</b> (there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred.)		
2008	\$17,694,703.00				
2009	\$6,052,200.00	\$556,200.00			
2010	\$390,000.00	\$473,800.00			
2011	\$100.00				
2012	\$100.00		<b>Speed Code</b>	<b>Account Code</b>	
<b>TOTAL:</b>	<b>66,127,547.00</b>	<b>\$1,030,000.00</b>			

<b>— OCR Use —</b>	<b>Procurement Process Summary (FA or ED-type only)</b>

**AMENDMENT THREE  
TO FA-07-16892-02**

This Contract Amendment is made and entered by and between the State of Tennessee, Department of Finance and Administration, hereinafter referred to as the "State" and MAXIMUS, Inc., hereinafter referred to as the "Contractor." It is mutually understood and agreed by and between said, undersigned contracting parties that the subject Contract is hereby amended as follows:

1. The text of Contract Section A.4 is deleted in its entirety and replaced with the following:

A.4 Timeline. The State of Tennessee intends to implement the selected ERP software in two phases:

Phase I – Human Resources / Payroll functionality

Phase II – Financials, Procurement, and Logistics functionality

The expected timeline for the Implementation phase of the Edison Project is a start date of July 5, 2006, with Human Resources/Payroll functionality going into production with the start of the new calendar year 2008 (January 1, 2008). To accommodate normal State business operations, the Edison system will be available for production usage prior to that date so that State business commences on that date. The State would like to deploy the Financials and Procurement / Logistics functionality in multiple waves, with a balanced schedule of deploying agencies over no more than six (6) months, favoring the core central agencies first. The first wave will deploy at the start of the new State fiscal year 2009 (July 1, 2008). The State has not scheduled agencies and deployment dates at this time, and will work with Contractor to create a schedule that best mitigates project risk and allows later deployments to benefit from lessons learned in the earlier waves.

If the selected Contractor exceeds the target production dates and the delay is not due to State staff failing to meet their project responsibilities, such overages will not be remedied through the change order process. The approval of change orders is at the sole discretion of the State.

ID	Task Name	2006			2007				2008			2009	
		Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
1	Human Resources/Payroll	[Gantt bar spanning Q2 2006 to Q1 2009]											
2	Plan	[Gantt bar]											
3	Analysis/Design	[Gantt bar]											
4	Construction and Test		[Gantt bar]										
5	Parallel Test and Train				[Gantt bar]								
6	Go-Live					[Gantt bar]							
7	Post-Go-Live Support						[Gantt bar]						
8	Finance/Procurement/Logistics	[Gantt bar spanning Q2 2006 to Q1 2009]											
9	Plan	[Gantt bar]											
10	Analysis/Design	[Gantt bar]											
11	Construction and Test		[Gantt bar]										
12	End-To-End Test and Train				[Gantt bar]								
13	Go Live					[Gantt bar]							
14	System Deployment						[Gantt bar]						
15	Post-Go-Live Support							[Gantt bar]					

The scope of work under this contract shall consist of two Phases listed above, each phase with six Work Stages as follows:

1. Plan
2. Analysis/Design
3. Construction
4. Test and Train
5. Go Live
6. Post Go-Live Support

Additionally, the deployment (Go Live) stage for Financials, Procurement, and Logistics will be performed in multiple waves.

Due to the requirements outlined in the The American Recovery and Reinvestment Bill of 2009, additional contractor support is required to support the delay of Wave 3 implementation for FSCM to provide agency support for go-live in the form of workshops and trouble resolution. The State will compensate the Contractor for this additional support using the Change Order rates detailed in Contract Section C.4.

2. The text of Contract Section C.1 is deleted in its entirety and replaced with the following:

C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed Sixty-Seven Million, One Hundred Fifty Seven Thousand, Five Hundred Forty Seven Dollars and No Cents (\$67,157,547.00). The Deliverable Payment Amounts in Section C.3 and the Service Rates in C.4 shall constitute the entire compensation due the Contractor for the

Service and all of the Contractor's obligations hereunder regardless of the difficulty, materials or equipment required. The Deliverable Payment Schedule includes, but is not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor, with the exception of Contract Section C.5.

The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the State. The maximum liability represents available funds for payment to the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with the Deliverable Payment Amounts detailed in Section C.3, and the Service Rates detailed in Section C.4. The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract.

3. The text of Contract Section C.4 is deleted in its entirety and replaced with the following:

C.4. Deliverable Payment Schedule – Change Order Rates. The Contractor shall be compensated for Change Order tasks (see Contract Attachment B, Section B.3.3) based on the Service Rates herein for units of service authorized by the State in a total amount not to exceed the Contract Maximum Liability established in Section C.1. The Contractor's compensation shall be contingent upon the satisfactory delivery of units of service, on an hourly, as-used basis, for the Job Classifications defined in Contract Attachment B. The Contractor shall be compensated based upon the following Service Rates:

<u>JOB CLASSIFICATION</u>	<u>SERVICE RATE PER HOUR</u>				
	<u>YEAR 1</u>	<u>YEAR 2</u>	<u>YEAR 3</u>	<u>YEAR 4</u>	<u>YEAR 5</u>
Project Manager	\$250.00	\$250.00	\$255.00	\$255.00	\$260.00
Deputy Project Manager	\$225.00	\$225.00	\$230.00	\$230.00	\$235.00
Configuration Manager	\$200.00	\$200.00	\$205.00	\$205.00	\$210.00
Configuration Lead	\$190.00	\$190.00	\$195.00	\$195.00	\$200.00
Configuration Consultant	\$180.00	\$180.00	\$185.00	\$185.00	\$190.00
Technical Manager	\$225.00	\$225.00	\$230.00	\$230.00	\$235.00
Technical Lead	\$200.00	\$200.00	\$205.00	\$205.00	\$210.00
Technical Consultant	\$160.00	\$160.00	\$165.00	\$165.00	\$170.00
Enterprise Readiness (Training/ Change Mgmt) Manager	\$225.00	\$225.00	\$230.00	\$230.00	\$235.00
Training Consultant	\$150.00	\$150.00	\$155.00	\$155.00	\$160.00

The aggregate value of change orders executed under this contract shall not exceed Seven Million, Twenty-Three Thousand, Six Hundred Thirty-Seven Dollars (\$7,023,637.00).

The revisions set forth herein shall be effective April 7, 2009. All other terms and conditions not expressly amended herein shall remain in full force and effect.

**IN WITNESS WHEREOF,**  
**MAXIMUS, INC.:**

---

CONTRACTOR SIGNATURE

DATE

---

PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)

DEPARTMENT OF FINANCE AND ADMINISTRATION:

---

M.D. GOETZ, JR., COMMISSIONER

DATE

APPROVED:

---

COMMISSIONER OF FINANCE & ADMINISTRATION

DATE

---

COMPTROLLER OF THE TREASURY

DATE



**GENERAL ASSEMBLY OF THE STATE OF TENNESSEE  
FISCAL REVIEW COMMITTEE**

320 Sixth Avenue, North - 8<sup>th</sup> Floor  
NASHVILLE, TENNESSEE 37243-0057  
615-741-2564

**Rep. Charles Curtiss, Chairman**  
Representatives

Curt Cobb Donna Rowland  
Curtis Johnson David Shepard  
Gerald McCormick Curry Todd  
Mary Pruitt Eddie Yokley  
Craig Fitzhugh, *ex officio*  
Speaker Jimmy Naifeh, *ex officio*

**Sen. Douglas Henry, Vice-Chairman**  
Senators

Doug Jackson Reginald Tate  
Bill Ketron Jamie Woodson  
Paul Stanley  
Randy McNally, *ex officio*  
Lt. Governor Ron Ramsey, *ex officio*

**M E M O R A N D U M**

TO: The Honorable Dave Goetz, Commissioner  
Department of Finance and Administration

FROM: Charles Curtiss, Chairman, Fiscal Review Committee  
Bill Ketron, Chairman, Contract Services Subcommittee cc  
BK

DATE: December 12, 2007

SUBJECT: **Contract Comments**  
(Contract Services Subcommittee Meeting 12/11/07)

RFS# 317.03-134

Department: Finance & Administration

Contractor: MAXIMUS, Inc.

Summary: This vendor is responsible for the provision of maintenance and support services for the Edison project. The proposed amendment increases the maximum liability by \$147,540 to provide funding for the early implementation and use of Edison's fleet module by the Department of General Services Motor Vehicle Management Division. The application service provider (ASP) environment will be ready for use in March, 2008, rather than October, 2008.

Maximum liability: \$65,980,007

Maximum liability w/amendment: \$66,127,547

After review, the Fiscal Review Committee voted to recommend approval of the contract amendment.

cc: Mr. Mike Morrow, Deputy Commissioner for Operations  
Ms. Stephanie Richardson, ERP Project Director  
Mr. Robert Barlow, Director, Office of Contracts Review



RECEIVED

DEC 04 2007

FISCAL REVIEW

**STATE OF TENNESSEE  
DEPARTMENT OF FINANCE AND ADMINISTRATION**

312 EIGHTH AVENUE NORTH  
SUITE 2100 TENNESSEE TOWER  
NASHVILLE, TENNESSEE 37243  
(615) 741-0300  
FAX (615) 532-8532

DAVE GOETZ  
COMMISSIONER

MIKE MORROW  
DEPUTY COMMISSIONER  
FOR OPERATIONS

December 4, 2007

Mr. James W. White  
Executive Director  
Fiscal Review Committee  
8<sup>th</sup> Floor, Rachel Jackson Bldg.  
Nashville, TN

Dear Sir:

Please find attached, for the Fiscal Review Committee's consideration, documentation of an Amendment request pertaining to the State's contract with MAXIMUS, Inc. for Enterprise Resource Planning (ERP) Integration Services. The Department of Finance and Administration respectfully requests to be placed on the agenda to present this request at the next Fiscal Review Committee meeting.

To facilitate the Committee's review, we present the following summary of the amendment:

1. The Amendment will define the expanded scope of work in Contract Section A.37 and detailed in Contract Attachment I to add Motor Vehicle Management (MVM) Fleet Management Professional Services and Hosting for the State.
2. The Maximum Liability for MAXIMUS, Inc. is being increased to cover the expanded scope of services.
3. Contract Section C.3.e was modified to reflect the payments for the Professional Services and the Hosting Services.

Thank you for your consideration of this request. We look forward to appearing before the Committee at its next scheduled meeting.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Morrow".

Mike Morrow  
Deputy Commissioner



STATE OF TENNESSEE  
**DEPARTMENT OF FINANCE AND ADMINISTRATION**

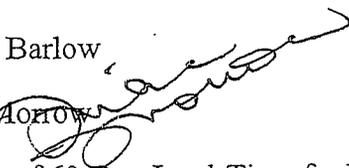
312 EIGHTH AVENUE NORTH  
SUITE 2100 TENNESSEE TOWER  
NASHVILLE, TENNESSEE 37243  
(615) 741-0300  
FAX (615) 532-8532

DAVE GOETZ  
COMMISSIONER

MIKE MORROW  
DEPUTY COMMISSIONER  
FOR OPERATIONS

**MEMORANDUM**

**TO:** Robert Barlow

**FROM:** Mike Morrow 

**SUBJECT:** Waiver of 60-Day Lead-Time for Non-Competitive Amendment

**DATE:** November 30, 2007

As a part of the suite of Enterprise Resource Planning (ERP) contracts, the State currently holds a contract with MAXIMUS, Inc. to provide integration services for the implementation of PeopleSoft as the State's Enterprise Resource Planning (ERP) project and a contract to purchase MAXIMUS's FleetFocus M5 fleet software solution. The Department of General Services, Division of Motor Vehicle Management (MVM) currently uses a system called Fleet Tracker for vehicle maintenance and billing functionality. The system has become unstable and reliable and is not maintained by the original vendor; therefore, the Department of General Services has requested that the Edison fleet module be implemented for production use ahead of the planned Phase 2 implementation date. The Departments of Finance and Administration (F&A) and General Services have negotiated reasonable services and rates with MAXIMUS to provide hosting services for the M5 solution. The attached Amendment 02 includes installation and hosting of the new fleet module on a temporary basis.

Given the increasing unreliability of the Fleet Tracker system, it is important to quickly replace the fleet system in an environment that is modern, supported, and compatible with the State's new ERP system. The risk that General Services is under to provide a stable and reliable fleet system is critical at this point. Therefore F&A requests a waiver of the normal 60-day lead-time for processing a Non-Competitive Amendment.

## REQUEST: NON-COMPETITIVE AMENDMENT

APPROVED	<b>RECEIVED</b>
	DEC 04 2007
	<b>FISCAL REVIEW</b>
Commissioner of Finance & Administration	
Date:	

EACH REQUEST ITEM BELOW MUST BE DETAILED OR ADDRESSED AS REQUIRED.

1) RFS #	317.03-134-07	
2) State Agency Name :	Department of Finance and Administration	
<b>EXISTING CONTRACT INFORMATION</b>		
3) Service Caption :	Enterprise Resource Planning (ERP) integrations services.	
4) Contractor :	MAXIMUS, Inc.	
5) Contract #	FA-07-16892-00	
6) Contract Start Date :	July 24, 2006	
7) <u>Current</u> Contract End Date IF <u>all</u> Options to Extend the Contract are Exercised :	July 23, 2011	
8) <u>Current</u> Total Maximum Cost IF <u>all</u> Options to Extend the Contract are Exercised :	\$65,980,007.00	
<b>PROPOSED AMENDMENT INFORMATION</b>		
9) <u>Proposed</u> Amendment #	02	
10) <u>Proposed</u> Amendment Effective Date (attached explanation required if date is < 60 days after F&A receipt)	January 2, 2008	
11) <u>Proposed</u> Contract End Date IF <u>all</u> Options to Extend the Contract are Exercised :	July 23, 2011	
12) <u>Proposed</u> Total Maximum Cost IF <u>all</u> Options to Extend the Contract are Exercised :	\$66,127,547.00	
13) Approval Criteria : (select one)	<input checked="" type="checkbox"/> use of Non-Competitive Negotiation is in the best interest of the state <input type="checkbox"/> only one uniquely qualified service provider able to provide the service	
14) Description of the Proposed Amendment Effects & Any Additional Service :	<p>The proposed amendment adds application service provider (ASP) services to the existing contract for MAXIMUS to provide fleet functionality hosted in their data center on a temporary basis. Enabling the ASP model significantly decreases the State's risk to implement fleet module earlier than the Edison phase 2 implementation date.</p>	
15) Explanation of Need for the Proposed Amendment :		

The Fleet Tracker system used by the Department of General Services has become unstable and unreliable. The system is not supported by its original vendor and the system's unreliability poses significant risk for the Department to manage the State of Tennessee's vehicle fleet. Fleet management includes ensuring maintenance is performed on a timely basis, management of assets and vehicle billing. The Edison system (the State's ERP solution) will deliver a fleet solution during the Phase 2 implementation in October 2008. The amendment is needed to allow the early implementation and use of Edison's fleet module by March 2008. Adding the ASP services to MAXMUS contract will enable the State to implement the fleet module in a production mode more quickly and with less risk because MAXMUS is responsible for the technical infrastructure in their data center until the State's planned Phase 2 go-live in October of 2008. The original contract did not include application service provider services in the planned scope of work.

**16) Name & Address of Contractor's Current Principal Owner(s) :**

(not required if proposed contractor is a state education institution)

Richard A. Montoni, CEO, 11419 Sunset Hills Road, Reston, Virginia 20190

**17) Documentation of Office for Information Resources Endorsement :**

(required only if the subject service involves information technology)

select one:

Documentation Not Applicable to this Request

Documentation Attached to this Request

**18) Documentation of Department of Personnel Endorsement :**

(required only if the subject service involves training for state employees)

select one:

Documentation Not Applicable to this Request

Documentation Attached to this Request

**19) Documentation of State Architect Endorsement :**

(required only if the subject service involves construction or real property related services)

select one:

Documentation Not Applicable to this Request

Documentation Attached to this Request

**20) Description of Procuring Agency Efforts to Identify Reasonable, Competitive, Procurement Alternatives :**

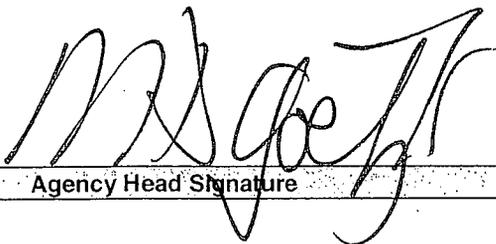
MAXIMUS is the only service provider that is able to host their Fleet solution because they own the software solution.

**21) Justification for the Proposed Non-Competitive Amendment :**

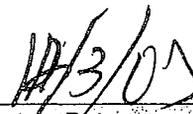
The State needs the ability to quickly implement the fleet solution to minimize risk and provide required fleet services to our agencies and employees. The application service provider (ASP) model provides the State with a reliable and low risk solution to implement and utilize the fleet module as soon as possible.

**REQUESTING AGENCY HEAD SIGNATURE & DATE :**

(must be signed & dated by the ACTUAL procuring agency head as detailed on the Signature Certification on file with OCR— signature by an authorized signatory will be accepted only in documented exigent circumstances)



Agency Head Signature



Date

# CONTRACT SUMMARY SHEET

060706

<b>RFS #</b>  317.03 — 134 — 07	<b>Contract #</b>  FA — 07 — 16892 — 02
<b>State Agency</b>  Finance and Administration	<b>State Agency Division</b>  Office for Information Resources
<b>Contractor Name</b>  MAXIMUS, Inc.	<b>Contractor ID # (FEIN or SSN)</b>  <input type="checkbox"/> C- or <input checked="" type="checkbox"/> V- 54-1000588

**Service Description**  
Enterprise Resource Planning (ERP) integration services. Amendment for Maximus to temporarily provide fleet functionality in their data center.

<b>Contract Begin Date</b> July 24, 2006	<b>Contract End Date</b> July 23, 2011	<b>SUBRECIPIENT or VENDOR?</b> VENDOR	<b>CFDA #</b>
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**Mark Each TRUE Statement**

Contractor is on STARS       Contractor's Form W-9 is on file in Accounts

Alotment Code	Cost Center	Object Code	Fund	Funding Grant Code	Funding Subgrant Code
317.30	MAXIT	083	15		
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2007	\$41,990,444.00				\$41,990,444.00
2008	\$17,694,703.00				\$17,694,703.00
2009	\$6,052,200.00				\$6,052,200.00
2010	\$390,000.00				\$390,000.00
2011	\$100.00				\$100.00
2012	\$100.00				\$100.00
<b>TOTAL</b>	<b>\$66,127,547.00</b>				<b>\$66,127,547.00</b>

RECEIVED

AUG 26 2008      JAN 16 2008

BY OFFICE OF CONTRACTS REVIEW

**COMPLETE FOR AMENDMENTS ONLY**

FY	Base Contract & Prior Amendments	THIS Amendment ONLY
2007	41,990,444.00	
2008	17,599,363.00	95,340.00
2009	6,000,000.00	52,200.00
2010	390,000.00	
2011	100.00	
2012	100.00	
<b>TOTAL</b>	<b>65,980,007.00</b>	<b>147,540.00</b>

**End Date:**

**State Agency Fiscal Contact & Telephone**  
Maureen Abbey  
741-6070

**State Agency Budget Officer Approval**  
*Maureen Abbey*

**Funding Certification** (certification required by 49 CFR 101.116 that there is a balance in the appropriation from which the obligated expenditures are required to be paid that is not otherwise obligated to pay obligations previously incurred)

RECEIVED

JAN 04 2008

**Contractor Ownership** (complete only for base contracts with contract # prefix FA or CR)

African American     Person w/ Disability     Hispanic     Small Business     NO minority/disadvantaged  
 Asian     Female     Native American     OTHER minority/disadvantaged

**Contractor Selection Method** (complete for All base contracts - N/A to amendments or delegated authorities)

RFP     Competitive Negotiation     Alternative Competitive Method  
 Non-Competitive Negotiation     Negotiation w/ Government (e.g., ID, GG, GU)     Other

**Procurement Process Summary** (complete for selection by Alternative Method, Competitive Negotiation, Non-Competitive Negotiation, or Other)

The amendment adds application service provider (ASP) services to the existing contract for MAXIMUS, to provide fleet functionality hosted in their data center on a temporary basis. Enabling the ASP model significantly decreases the State's risk to implement fleet module earlier than the Edison phase 2 implementation date.

DEC 21 2007

Office of Contracts Review

RECEIVED

JAN 16 2008

**AMENDMENT TWO  
TO FA-07-16892-00**

This Contract Amendment is made and entered by and between the State of Tennessee, Department of Finance and Administration, hereinafter referred to as the "State" and MAXIMUS Inc., hereinafter referred to as the "Contractor." It is mutually understood and agreed by and between said, undersigned contracting parties that the subject Contract is hereby amended as follows:

**1. The following provision is added as Contract Section A.37:**

**A.37 MVM Fleet Management Professional Services and Hosting.**

The Contractor will provide the Motor Vehicle Management (MVM) Fleet Management Professional Services and Hosting according to Contract Attachment I. The Contractor will perform all tasks and produce and deliver to the State all deliverables detailed in Contract Attachment I. The Contractor's compensation for Professional Services associated with completion of all tasks and deliverables shall not exceed the amount in Contract Section C.3.e.i.

**2. The text of Contract Section C.1 is deleted in its entirety and replaced with the following:**

**C.1. Maximum Liability.** In no event shall the maximum liability of the State under this Contract exceed Sixty-Six Million, One Hundred Twenty Seven Thousand, Five Hundred Forty Seven Dollars and No Cents (\$66,127,547.00). The Deliverable Payment Amounts in Section C.3 and the Service Rates in C.4 shall constitute the entire compensation due the Contractor for the Service and all of the Contractor's obligations hereunder regardless of the difficulty, materials or equipment required. The Deliverable Payment Schedule includes, but is not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor, with the exception of Contract Section C.5.

The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the State. The maximum liability represents available funds for payment to the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with the Deliverable Payment Amounts detailed in Section C.3, and the Service Rates detailed in Section C.4. The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract.

**3. The following provision is added as Contract Section C.3.e.:**

**C.3.e. MVM Fleet Management Professional Services and Hosting**

**C.3.e.i. Professional Services.** The State will compensate the Contractor for professional services related to MVM Fleet Management Professional Services and Hosting, as described in Contract Section A.37, at the change order rates detailed in Contract Section C.4. Compensation to the Contractor for MVM Professional Services shall not exceed \$43,140.00 over the life of this contract, unless amended.

**C.3.e.ii. Hosting Services.** The State will compensate the Contractor for hosting services related to MVM Fleet Management Professional Services and Hosting, as described in Contract Section A.37, at the per asset (fleet vehicle) rate detailed below. Compensation to the Contractor for MVM Hosting Services shall not exceed \$104,400.00 over the life of this contract, unless amended.

Description	Monthly Amount per Asset (Fleet Vehicle)
Comprehensive MVM Fleet Management Hosting Fee	\$1.45



## MVM Fleet Management Professional Services and Hosting Scope of Work

### 1. Project Scope

The following details the effort required both from the MAXIMUS Implementation Services team and the State's Project Team to complete a successful implementation of the application service provider (ASP) environment for use by the Department of General Services Motor Vehicle Management Division (MVM). The services provided under this Statement of Work include project management and technical and conversion assistance to complete the tasks required. The scope of work for the ASP service includes the following areas:

- o Initial configuration and start-up of the MVM ASP environment
- o Standard MAXIMUS Hosted ASP environment utilizing server farm implementation for load balancing
- o Merge of MVM M5 data into the Edison environment upon the Edison roll-out

The professional services to be included are:

- o **Project Management** – MAXIMUS will assign a Project Manager to assist the State with the implementation of the ASP environment, including managing the initial configuration and availability of the environment and assisting with the eventual migration process to the Edison environment when required.
- o **Technical Services** – MAXIMUS technical resources will complete the configuration of the MVM ASP environment and the installation of an MVM database in the designated MAXIMUS data center.
- o **Data Conversion and Migration** – MAXIMUS will assist with any minor conversions required to the MVM data to bring it in-line with the established Edison standards prior to the migration of the MVM data into the Edison environment. Areas of the data that may require attention include Employees, Vendors and Part Numbers. Migration services are included to load the MVM data into the Edison environment.

### 1.1 Project Management

MAXIMUS will provide project management services to manage the configuration of the ASP environment and the eventual migration of MVM data to the Edison environment.

MAXIMUS will provide the following project management services:

- o Manage the configuration of the ASP MVM environment,
- o Coordinate the execution of MVM data conversions into the ASP M5 database, and
- o Assist with the planning of the incorporation of the MVM M5 data from the ASP environment into the Edison environment.

### 1.2 Technical Services

MAXIMUS will configure the MVM ASP environment and install the MVM ASP database.

#### 1.2.1 Configure Technical Environment

MAXIMUS will be responsible to configure a technical ASP environment and publish a URL for access by MVM. This will include the ability to generate standard M5 reports and execute standard M5 batch processes including End-of-Day, End-of-Month, Forecaster and Billing.

The State's Hosted ASP site will be implemented within the standard MAXIMUS FleetFocus™ M5 Hosting environment complete with server load-balancing options to optimize performance.

MAXIMUS will be responsible for maintaining this environment according to the standard upgrade schedule published to all ASP clients. The initial M5 release implemented will be Version 2.0.D. M5 Version 2.1 is scheduled to be available in the ASP environment in February of 2008 pending approval of the ASP client environment.

### **1.2.2 FleetFocus™ M5 Installation**

Once the technical environment is configured, MAXIMUS technical resources will create an MVM M5 database and establish connectivity to the ASP technical environment. MAXIMUS will provide two M5 databases to be used during the project lifecycle; Production and Test.

MAXIMUS will also install up to two application environments: Production and Test. The Test environment provides an alternative to production for testing data conversions, interfaces, and software upgrades. MAXIMUS will configure database back-up procedures to ensure an appropriate level of recovery for the Production environment.

### **1.3 Data Conversion and Migration**

Initially, MAXIMUS expects that the approved Edison Project specifications related to the MVM conversion will be utilized to convert data for the MVM implementation and no additional conversion routine will be required to get data into the M5 ASP environment. In-conjunction with this process, the Edison team will need to determine if any MVM data needs to conform to the standard Edison values and if so, MAXIMUS will develop limited conversion routines to perform these tasks. MVM will be responsible to address and correct any data integrity issues such that the data conforms to the expected standards.

At a predetermined date prior to the actual Edison Fleet live timeframe, MAXIMUS will work with the Edison team to schedule a Test Migration of the MVM ASP database into an Edison Fleet environment populated with Tennessee Department of Transportation (TDOT) conversion data. Prior to the migration of this data, MAXIMUS will execute any conversion conformity routines to translate the data to the Edison standard.

Upon a successful Test Migration, MAXIMUS will work with the Edison team to schedule and complete a final Production Migration of the MVM ASP data into the Edison Production Fleet environment.

#### **1.3.1 Conversion Planning**

MAXIMUS will work with MVM and the Edison team to determine if any specific MVM data will require a conversion to conform it to the Edison values before the migration of the data into the Edison environment. Should the State determine that data conformity is required; MAXIMUS will assist the State with developing Development Requests (DR) to document the required changes. Once approved DRs are obtained, MAXIMUS will develop routines to update the MVM data.

#### **1.3.2 Conversion Routine Development**

Should any specific MVM data be required to conform to the Edison standards, MAXIMUS will develop conversion routines to convert the MVM data using a cross-walk table ("was-is"). The scope of these conversions will be limited in that MAXIMUS expects to only develop routines for a very small subset of key data fields. Initial discussions included only part, employee and vendor numbers/codes. Should the State determine that additional conversion routines are required; MAXIMUS will provide the State with estimates of effort and cost to complete these conversions. The State will be responsible to provide the appropriate cross-walk values while MAXIMUS will develop the appropriate conversion script process to perform the updates. MVM and the Edison team will be responsible for the configuration of any data required to complete the conversion and the verification of the results.

#### **1.3.3 Test Data Conversion**

MAXIMUS will execute the conversion routines against a Test MVM ASP database so that the State can verify the results. Once the State has verified the results, MAXIMUS will prepare to run the conversions against the production data prior to the migration to the Edison environment.

#### **1.3.4 Test Migration**

Once any conversion processes have been completed against the Test MVM ASP database, MAXIMUS will export the Test ASP database and assist with the merge of the MVM data into an Edison Test database which should contain the TDOT data. This migration process will test the merging of MVM and TDOT data into a single Edison M5 Oracle database which will be the environment structure for the Edison Fleet implementation. MAXIMUS will provide instructions on performing this task and will require remote access to the Edison environment with the appropriate security authorizations. The Edison team

will need to provide a dedicated technical resource to assist in this test migration and be available for the production process.

Once complete, the State will be responsible to test the resulting combined database to determine if any issues have occurred.

### **1.3.5 Production Data Conversion**

A final production conversion will be completed just prior to the migration to the Edison environment. This will ensure that during the merge of the MVM data into the Edison M5 database that referential integrity issues will be resolved. MAXIMUS will assist the State with reviewing the results of the conversion to verify that MVM is ready for the final production live.

### **1.3.6 Production Migration**

Once any final data conformity conversions have occurred against the MVM ASP data, MAXIMUS will provide an export of the MVM database to the Edison team for migration into the Edison environment. This migration process will include the merging of the MVM data into a production Edison M5 database already populated with the final TDOT data. The production migration will follow the same instructions, provided by MAXIMUS with regard to the steps that must be accomplished. MAXIMUS will assist with this process but the State must provide a knowledgeable technical resource that assisted with the Test Migration process. After the export of the MVM ASP data, the ASP environment will no longer be available to MVM. MVM will be without a production system until the Production Migration is complete. During this process, MVM should be prepared to capture any data through a paper process. MAXIMUS will expedite this step and will be available to schedule for weekend hours to minimize the system outage for MVM.

Once complete, the State will be responsible to review the resulting combined database to determine if any issues have occurred. At this point in time, all of the Edison Fleet organizations would be expected to be live on the M5 system.

## **2. Additional Responsibilities**

### **2.1 MAXIMUS Responsibilities:**

- MAXIMUS is providing a limited Hosted ASP service for an estimated 12 month period. MAXIMUS will perform standard database back-ups in accordance with the ASP service, but will not provide a disaster recovery site.
- MAXIMUS is responsible for the technical environment. Because of imposed security practices within the MAXIMUS Hosted ASP technical environment, no State personnel will have direct access to the MVM database within the Hosted ASP environment. The only access to the MVM data will be directly through the FleetFocus™ M5 application.
- All training sessions will use standard application training materials.

### **2.2 State Responsibilities:**

- The State is responsible for providing browser access to the FleetFocus™ M5 application.
- The State is responsible for providing and maintaining TCP/IP connectivity with sufficient bandwidth from all user workstations to the FleetFocus servers.
- The State is responsible for installing and configuring computer hardware and peripheral equipment such as printers and bar code equipment (if applicable). MAXIMUS' software installation estimates do not include installation and/or configuration of any computer hardware and peripheral equipment at the State site.
- The State will make appropriate technical resources available to MAXIMUS' consultants.
- The State will appoint a single point of contact for the duration of the project. This person should have project management responsibilities and decision-making authority and will be the focal point of contact for MAXIMUS' Customer Support department.
- The State will be responsible for customizing training materials to meet their implementation requirements

**2.3 Joint Responsibilities:**

- The State and MAXIMUS will have all of the necessary and appropriate personnel at all of the meetings for the purpose of defining the requirements of the system, interfaces and training.



# FAX TRANSMITTAL

to Request OIR Procurement Endorsement

**TO :** Jane Chittenden, Director  
OIR Procurement & Contract Management      **FAX #** 741-6164

**FROM :** Marga Rivenbark, RFP Coordinator      **FAX #** 741-6164

**DATE :** November 30, 2007

**RFS #** 317.03-134-07

**RE :** Procurement Endorsement — ERP Integrations Services

**NUMBER OF FAX PAGES (including cover) : One**

The nature and scope of service detailed in the attached service procurement document(s) appears to require Office for Information Resources (OIR) review and support, because the procurement involves information technology or information systems services.

This communication seeks to ensure that OIR is aware of the procurement and has an opportunity to review the matter. Please determine whether OIR is supportive of the procurement. If you have any questions or concerns about this matter, please call Marga Rivenbark at 615-253-5247.

**Please indicate below your response to this proposed procurement, and return this communication at your earliest convenience (note the return FAX number above).**

Thank you for your help.

Attachment(s)

**OIR Endorsement :**

*Mark Bengel (gc)*

*12/4/07*

**OIR Chief Information Officer**

**Date**



**GENERAL ASSEMBLY OF THE STATE OF TENNESSEE  
FISCAL REVIEW COMMITTEE**

320 Sixth Avenue, North – 8<sup>th</sup> Floor  
NASHVILLE, TENNESSEE 37243-0057  
615-741-2564

**Rep. Charles Curtiss, Chairman**  
Representatives

Curt Cobb  
Curtiss Johnson  
Gerald McCormick  
Mary Pruitt  
Craig Fitzhugh, *ex officio*  
Speaker Jimmy Naifeh, *ex officio*

Donna Rowland  
David Shepard  
Curry Todd  
Eddie Yokley

**Sen. Douglas Henry, Vice-Chairman**  
Senators

Doug Jackson  
Bill Ketron  
Paul Stanley  
Randy McNally, *ex officio*  
Lt. Governor Ron Ramsey, *ex officio*

Reginald Tate  
Jamie Woodson

**M E M O R A N D U M**

**TO:** The Honorable Dave Goetz, Commissioner  
Department of Finance and Administration

**FROM:** Charles Curtiss, Chairman, Fiscal Review Committee  
Bill Ketron, Chairman, Contract Services Subcommittee <sup>CC</sup><sub>BK</sub>

**DATE:** March 3, 2007

**SUBJECT:** Contract Comments  
(Contract Services Subcommittee Meeting 2/26/07)

**RFS# 317.03-160**

**Department: Finance & Administration**

**Contractor: MAXIMUS, Inc.**

**Summary:** The vendor currently provides maintenance and support services for the Edison project. This amendment will revise the deliverable and associated payment schedule by moving the Communication Plan to August, 2206, and the Capacity Evaluation Plan to April, 2007, to better align with the project work plan. The maximum liability remains the same as does the term of the contract, effective through July 23, 2011.

**Maximum liability: \$65,980,007**

**Maximum liability with amendment: \$65,980,007**

After review, the Fiscal Review Committee voted to recommend approval of the contract amendment.

**cc:** Ms. Stephanie Richardson, Director, ERP Division  
Mr. Robert Barlow, Director, Office of Contracts Review

# C O N T R A C T S U M M A R Y S H E E T

060706

RFS # <b>317.03 — 160 — 07</b>		Contract # <b>RECEIVED FA — 07 — 16892 — 01</b>	
State Agency Finance and Administration		State Agency Division Office for Information Resources	
Contractor Name MAXIMUS, Inc.		Contractor ID # (FEIN or SSN) <input type="checkbox"/> C- or <input checked="" type="checkbox"/> V- 54-1000588	
Service Description Enterprise Resource Planning (ERP) integration services. Amendment moves deliverables; no change to Total Contract Amount.		<b>RECEIVED</b> DEC 04 2007	
Contract Begin Date July 24, 2006	Contract End Date July 23, 2011	SUBRECIPIENT or VENDOR? VENDOR	CFDA #

**Mark Each TRUE Statement**

Contractor is on STARS       Contractor's Form W-9 is on file in Accounts

Allotment Code	Cost Center	Object Code	Fund	Funding Grant Code	Funding Subgrant Code
317.30	MAXIT	083	15		

FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2007	\$41,990,444.00				\$41,990,444.00
2008	\$17,599,363.00				\$17,599,363.00
2009	\$6,000,000.00				\$6,000,000.00
2010	\$390,000.00				\$390,000.00
2011	\$100.00				\$100.00
2012	\$100.00				\$100.00
<b>TOTAL:</b>	<b>\$65,980,007.00</b>				<b>\$65,980,007.00</b>

OGR RELEASED  
 APR 25 2007  
 TO ACCOUNTS

— COMPLETE FOR AMENDMENTS ONLY —			State Agency Fiscal Contact & Telephone #
FY	Base Contract & Prior Amendments	THIS Amendment ONLY	Maureen Abbey 741-6070
2007	\$42,589,807.00	(\$599,363.00)	<b>State Agency Budget Officer Approval</b> 
2008	\$17,000,000.00	\$599,363.00	
2009	\$6,000,000.00		
2010	\$390,000.00		
2011	\$100.00		
2012	\$100.00		<b>Funding Certification</b> (certification, required by T.C.A., § 9-4-5113, that there is a balance in the appropriation from which the obligated expenditure is required to be paid that is not otherwise encumbered to pay obligations previously incurred)
<b>TOTAL:</b>	<b>\$65,980,007.00</b>	<b>\$0.00</b>	
<b>End Date:</b>	<b>7/23/2011</b>	<b>7/23/2011</b>	

**Contractor Ownership** (complete only for base contracts with contract # prefix: FA or GR)

African American   
  Person w/ Disability   
  Hispanic   
  Small Business   
  NOT minority/disadvantaged  
 Asian   
  Female   
  Native American   
  OTHER minority/disadvantaged—

**Contractor Selection Method** (complete for ALL base contracts— N/A to amendments or delegated authorities)

RFP   
  Competitive Negotiation   
  Alternative Competitive Method  
 Non-Competitive Negotiation   
  Negotiation w/ Government (e.g., ID, GG, GU)   
  Other

**Procurement Process Summary** (complete for selection by Alternative Method, Competitive Negotiation, Non-Competitive Negotiation, OR Other)

APR 19 2007      APR 25

**AMENDMENT ONE  
TO FA-07-16892-00**

This CONTRACT, by and between the State of Tennessee, Department of Finance and Administration, hereinafter referred to as the State, and MAXIMUS, Inc., hereinafter referred to as the CONTRACTOR, is hereby amended as follows:

- Delete Section C.3.a. in its entirety and insert the following in its place:

**C.3.a. Deliverable Payment Schedule - HR/Payroll Implementation.**

<b>DELIVERABLE PAYMENT SCHEDULE - HUMAN RESOURCES AND PAYROLL</b>				
Total HR Payroll Cost from Total Cost Schedule		\$22,380,838		
- less Total HR Application Software License from Total Cost Schedule			\$ 689,256	
- less Project Team Training Costs Paid Directly to Software Vendor			\$ 313,200	
- less Payroll Software Ongoing Licensure from Total Cost Schedule			\$ 762,042	
- equals Total HR Payroll Implementation Services			<u>\$20,616,340</u>	
<b>Payment Number</b>	<b>Implementation Deliverable Description (Contract Section # where Deliverable is Described)</b>	<b>Estimated Payment Month</b>	<b>Payment Percentage</b>	<b>Payment Amount</b>
1	Completed: Master Project Workplan (A.21.a.3), Change Management Plan (A.21.a.5), Project Standards and Procedures (A.21.a.6)	Jul-06	3.0%	\$ 618,490
2	Completed: Capacity Analysis (A.21.a.8), Issue Resolution Plan (A.21.a.10), Knowledge Transfer Plan (A.21.a.11) and Communication Plan (A.21.a.4)	Aug-06	4.0%	\$ 824,654
3	Completed: Training Plan (A.21.a.12), Backup and Recovery Plan (A.21.a.14), Architecture Design Plan (A.21.a.7)	Aug-06	4.0%	\$ 824,654
4	Completed: Software Installed (A.22.a.1), System Design Document (A.22.a.5), Fit/Gap Analysis (A.22.a.4), Interface Approach Plan (A.22.a.6), Data Conversion Plan (A.22.a.7), Inventory of Enhancements (A.22.a.8), Inventory of Reports (A.22.a.9), Inventory of Workflows (A.22.a.10), Training Analysis and Design Prototype (A.22.a.11)	Oct-06	10.0%	\$ 2,061,634
5	Completed: Change Management Deliverables (leadership alignment, stakeholder management, business readiness) (A.22.a.12.1), Security Plan (A.22.a.13)	Nov-06	2.0%	\$ 412,327
6	Completed: Change Management Deliverables (Stakeholder Actions Plans, Business Readiness Deliverables) (A.22.a.12.2, A.22.a.12.3)	Dec-06	6.0%	\$ 1,236,980
7	Completed: Designed and Developed Software (Reports, Conversions, Enhancements, Workflows) (A.23.a.1)	Dec-06	7.0%	\$ 1,443,144
8	Completed: Unit Tested Transactions (A.24.a.2), Detailed Test Plan (A.24.a.1)	Jan-07	6.0%	\$ 1,236,980
9	Completed: End User Training Materials (A.24.a.6.1), Train the Trainer Workshop Design (A.24.a.6.2)	Mar-07	6.0%	\$ 1,236,980
10	Completed: Agency Implementation Guide (A.24.a.9)	Mar-07	2.0%	\$ 412,327
11	Completed: Integration Testing and Capacity Evaluation Plan (A.24.a.3 and A.21.a.9)	Apr-07	3.0%	\$ 618,490
12	Completed: Acceptance Testing (A.24.a.4)	May-07	5.0%	\$ 1,030,817

13	Completed: Production Cutover Plan (A.25.a.2)	Jun-07	5.0%	\$ 1,030,817
14	Completed: Payroll Parallel Testing (A.24.a.5)	Aug-07	15.0%	\$ 3,092,451
15	Completed: Production System Test (A.25.a.1)	Oct-07	5.0%	\$ 1,030,817
16	Production System Live (A.25.a.9)	Jan-08	6.0%	\$ 1,236,980
17	Accepted Production System (Retainage), Completed System Acceptance Checklist (A.26.a.4)	Apr-08	10.0%	\$ 2,061,634
18	Completed: Year End Support Acceptance Checklist (A.26.a.7)	Jan-09	1.0%	\$ 206,163
<b>Total Implementation Cost</b>			<b>100%</b>	<b>\$ 20,616,340</b>

2. Delete Section C.3.b. in its entirety and insert the following in its place:

C.3.b. Deliverable Payment Schedule - Financials/Procurement/Logistics Implementation.

<b>DELIVERABLE PAYMENT SCHEDULE - FINANCIALS, PROCUREMENT AND LOGISTICS</b>				
Total Fin., Procurement and Logistics Cost from Total Cost Schedule.		<b>\$52,553,005</b>		
- less Total Fin/Proc/Log Application Software License from Total Cost Schedule		<b>\$ 6,183,716</b>		
- less Project Team Training Costs Paid Directly to Software Vendor		<b>\$ 379,350</b>		
- less Fin/Proc/Log Ongoing Software Licensure from Total Cost Schedule		<b>\$ 6,669,909</b>		
- equals Total Fin., Procurement and Logistics Implementation Services		<b><u>\$39,320,030</u></b>		
<b>Payment Number</b>	<b>Implementation Deliverable Description (Contract Section # where Deliverable is Described)</b>	<b>Estimated Payment Month</b>	<b>Payment Percentage</b>	<b>Payment Amount</b>
1	Completed: Master Project Workplan (A.21.a.3), Change Management Plan (A.21.a.5), Project Standards and Procedures (A.21.a.6)	Jul-06	4.0%	\$ 1,572,801
2	Completed: Capacity Analysis (A.21.a.8), Issue Resolution Plan (A.21.a.10), Knowledge Transfer Plan (A.21.a.11) and Communication Plan (A.21.a.4)	Jul-06	5.0%	\$ 1,966,002
3	Completed: Training Plan (A.21.a.12), Backup and Recovery Plan (A.21.a.14), Architecture Design Plan (A.21.a.7)	Aug-06	5.0%	\$ 1,966,002
4	Completed: System Design Document (A.27.a.5), Fit/Gap Analysis (A.27.a.4), Interface Approach Plan (A.27.a.6), Data Conversion Plan (A.27.a.7), Inventory of Enhancements (A.27.a.8), Inventory of Reports (A.27.a.9), Inventory of Workflows (A.27.a.10), Training Analysis and Design Prototype (A.27.a.11)	Nov-06	18.0%	\$ 7,077,605
5	Completed: Change Management Deliverables (leadership alignment, stakeholder management, business readiness) (A.27.a.12.1), Security Plan (A.27.a.13)	Dec-06	2.0%	\$ 786,401
6	Completed: Change Management Deliverables (Stakeholder Actions Plans, Business Readiness Deliverables) (A.22.a.12.2, A.22.a.12.3)	Jan-07	4.0%	\$ 1,572,801
7	Completed: Designed and Developed Software (Reports, Conversions, Enhancements, Workflows) (A.28.a.1)	Mar-07	7.0%	\$ 2,752,402

8	Completed: Unit Tested Transactions (A.29.a.2), Detailed Test Plan (A.29.a.1)	Apr-07	8.0%	\$ 3,145,602
9	Completed: End User Training Materials (A.29.a.5.1), Train the Trainer Workshop Design (A.29.a.5.2)	May-07	5.0%	\$ 1,966,002
10	Completed: Agency Implementation Guide (A.29.a.8)	Jul-07	2.0%	\$ 786,401
11	Completed: Integration Testing and Capacity Evaluation Plan (A.24.a.3 and A.21.a.9)	Oct-07	9.0%	\$ 3,538,803
12	Completed: Acceptance Testing (A.29.a.4)	Jan-08	5.0%	\$ 1,966,002
13	Completed: Production Cutover Plan (A.30.a.2)	Mar-08	5.0%	\$ 1,966,002
14	Completed Production System Test (A.30.a.1)	Apr-08	5.0%	\$ 1,966,002
15	Production System Live (A.30.a.8)	Jul-08	5.0%	\$ 1,966,002
16	Accepted Production System for First Deployment Wave (Retainage #1), Completed System Acceptance Checklist (A.31.a.4)	Sep-08	4.0%	\$ 1,572,801
17	Accepted Production System for Second Deployment Wave (Retainage #2), Completed System Acceptance Checklist	Dec-08	3.0%	\$ 1,179,601
18	Accepted Production System for Third Deployment Wave (Retainage #3), Completed System Acceptance Checklist	Mar-09	3.0%	\$ 1,179,601
19	Completed: Year End Support Acceptance Checklist (A.31.a.6)	Jul-09	1.0%	\$ 393,200
<b>Total Implementation Cost</b>			<b>100%</b>	<b>\$ 39,320,030</b>

The other terms and conditions of this CONTRACT not amended hereby shall remain in full force and effect.

IN WITNESS WHEREOF:

MAXIMUS, INC.:

David Nickel 3/30/2007  
 David Nickel, Division President DATE

DAVID NICKEL DIVISION PRESIDENT  
 PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY

DEPARTMENT OF FINANCE AND ADMINISTRATION:

M. D. Goetz Jr. 4-3-07  
 M. D. Goetz, Jr., Commissioner MDA DATE

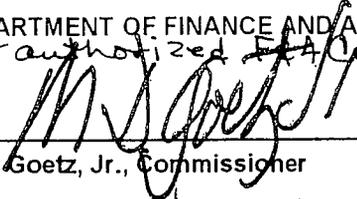
*78*

FA-07-16892-01

APPROVED:

DEPARTMENT OF FINANCE AND ADMINISTRATION:

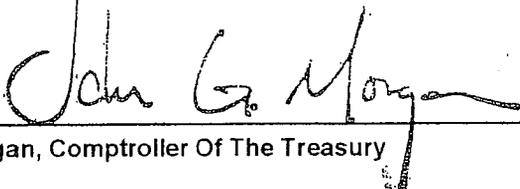
*per authorized FA Commissioner signature above*



APR 19 2007

M. D. Goetz, Jr., Commissioner

DATE



4/23/07

John G. Morgan, Comptroller Of The Treasury

DATE



STATE OF TENNESSEE  
**DEPARTMENT OF FINANCE AND ADMINISTRATION**  
ENTERPRISE RESOURCE PLANNING DIVISION  
162 THIRD AVENUE NORTH  
NASHVILLE, TENNESSEE 37243  
(615) 253-2725  
FAX (615) 253-2980

DAVE GOETZ  
COMMISSIONER

STEPHANIE RICHARDSON  
DIRECTOR

**MEMORANDUM**

TO: Leni S. Chick, Fiscal Analyst, Fiscal Review Committee

FROM: Mike Morrow, Deputy Commissioner, Finance and Administration  
Stephanie Richardson, Edison Project Director

DATE: December 15, 2006

SUBJECT: Justification for Contract Amendment #1 to ERP System Integrator  
Contract with MAXIMUS, Inc.

This memo is to describe Amendment #1, provide justification for the requested contract amendment effective date, and clarify the cost components of the Contract Maximum Liability for Contract # FA-07-16892-00 with MAXIMUS, Inc.

As outlined in the Request for Non-Competitive Amendment documentation, the amendment moves two deliverables to better reflect the project schedule. At the State's request based on the project's business needs, MAXIMUS completed the Communication Plan earlier in the payment schedule than was originally anticipated. This important deliverable has been effectively completed and approved by the State.

The requested amendment effective date will enable the State to move the due date of the Capacity Evaluation Plan to a later payment, but still compensate MAXIMUS for the completion of all required deliverables in Payment #2.

The contract Maximum Liability, including the costs for the underlying components that make up this amount, remains unchanged and totals to \$65,980,007. The dollar amounts reflected in the attached Amendment #1 add up to \$59,936,370 which is based on the payment tables reflecting contract liability for required deliverables. The difference between these two values is made up of change order and travel dollars (\$5,993,637.00 and \$50,000.00 respectively) as outlined in the contract.

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Please let us know if you need additional information. Thank you.

sr

# REQUEST: NON-COMPETITIVE AMENDMENT

APPROVED

Commissioner of Finance & Administration

Date:

**EACH REQUEST ITEM BELOW MUST BE DETAILED OR ADDRESSED AS REQUIRED.**

1) RFS #	317.03-160-07	
2) State Agency Name :	Department of Finance and Administration	
<b>EXISTING CONTRACT INFORMATION</b>		
3) Service Caption :	Enterprise Resource Planning (ERP) integrations services.	
4) Contractor :	MAXIMUS, Inc.	
5) Contract #	FA-07-16892-00	
6) Contract Start Date :	July 24, 2006	
7) <u>Current</u> Contract End Date IF <u>all</u> Options to Extend the Contract are Exercised :	July 23, 2011	
8) <u>Current</u> Total Maximum Cost IF <u>all</u> Options to Extend the Contract are Exercised :	\$65,980,007.00	
<b>PROPOSED AMENDMENT INFORMATION</b>		
9) <u>Proposed</u> Amendment #	01	
10) <u>Proposed</u> Amendment Effective Date : (attached explanation required if date is < 60 days after F&A receipt)	January 19, 2007	
11) <u>Proposed</u> Contract End Date IF <u>all</u> Options to Extend the Contract are Exercised :	July 23, 2011	
12) <u>Proposed</u> Total Maximum Cost IF <u>all</u> Options to Extend the Contract are Exercised :	\$65,980,007.00	
13) Approval Criteria : (select one)	<input checked="" type="checkbox"/> use of Non-Competitive Negotiation is in the best interest of the state  <input type="checkbox"/> only one uniquely qualified service provider able to provide the service	
14) Description of the Proposed Amendment Effects & Any Additional Service :		
Amendment changes deliverable and associated payment schedule by moving Communication Plan to earlier date and Capacity Evaluation Plan to a later date to better align with the project work plan. Moves 1% of payment to later date to correspond with Capacity Evaluation Plan. The Capacity Evaluation Plan cannot be realistically completed as early in the project as the original contract deliverable/payment schedule mandated.		
15) Explanation of Need for the Proposed Amendment :		

The Capacity Evaluation Plan cannot be completed during the early phases of the project but the Communication Plan was requested and completed earlier than planned. To effectively manage internal and external project communications, there was a business justification to completing (and paying the vendor for) the communication plan. The associated payment percentages reflect moving the Communication Plan to Payment #2 and the Capacity Evaluation Plan to Payment #11.

**16) Name & Address of Contractor's Current Principal Owner(s)**  
(not required if proposed contractor is a state education institution)

Richard A. Montoni, CEO, 11419 Sunset Hills Road, Reston, Virginia 20190

**17) Documentation of Office for Information Resources Endorsement**  
(required only if the subject service involves information technology)

select one:

Documentation Not Applicable to this Request

Documentation Attached to this Request

**18) Documentation of Department of Personnel Endorsement**  
(required only if the subject service involves training for state employees)

select one:

Documentation Not Applicable to this Request

Documentation Attached to this Request

**19) Documentation of State Architect Endorsement**  
(required only if the subject service involves construction or real property related services)

select one:

Documentation Not Applicable to this Request

Documentation Attached to this Request

**20) Description of Procuring Agency Efforts to Identify Reasonable, Competitive, Procurement Alternatives**

Not applicable given existing contract with MAXIMUS for these services.

**21) Justification for the Proposed Non-Competitive Amendment**

Project management identified a strong business need to require the Communications Plan be delivered and implemented earlier in the project to better fit the actual project timeline; conversely, the Capacity Evaluation Plan cannot realistically be delivered until later in the project, therefore these two deliverables were moved to different payment numbers. We believe that payment percentages associated with these deliverables should be adjusted accordingly.

**REQUESTING AGENCY HEAD SIGNATURE & DATE**

(must be signed & dated by the ACTUAL procuring agency head as detailed on the Signature Certification on file with OCR—signature by an authorized signatory will be accepted only in documented exigent circumstances)



Agency Head Signature

12/15/06

Date



# FAX TRANSMITTAL

to Request OIR Procurement Endorsement

TO : Jane Chittenden, Director  
OIR Procurement & Contract Management FAX # 741-6164

FROM : Stephanie Richardson, Edison Project  
Director FAX # 253-2980

DATE : December 12, 2006

RFS # 317.03-160-07

RE : Procurement Endorsement — Amendment #1 to Maximus Integrator  
Contract

NUMBER OF FAX PAGES (including cover) : 1

The nature and scope of service detailed in the attached service procurement document(s) appears to require Office for Information Resources (OIR) review and support, because the procurement involves information technology or information systems services.

This communication seeks to ensure that OIR is aware of the procurement and has an opportunity to review the matter. Please determine whether OIR is supportive of the procurement. If you have any questions or concerns about this matter, please call **Stephanie Richardson** at 253-2725.

**Please indicate below your response to this proposed procurement, and return this communication at your earliest convenience (note the return FAX number above).**

Thank you for your help.

Attachment(s)

OIR Endorsement :

*Bill Gzell (gc)*

OIR Chief Information Officer

*12/14/06*

Date



**CONTRACT  
BETWEEN THE STATE OF TENNESSEE,  
DEPARTMENT OF FINANCE AND ADMINISTRATION  
AND  
MAXIMUS**

This Contract, by and between the State of Tennessee, Department of Finance and Administration, hereinafter referred to as the "State" and MAXIMUS, hereinafter referred to as the "Contractor," is for the provision of Enterprise Resource Planning (ERP) software and related implementation, support, licensure and maintenance services, as further defined in the "SCOPE OF SERVICES." The Contractor, in its capacity as the implementer of the various components that make up the Edison system, is also referred to as the "Integrator." Therefore, the terms Contractor, Prime Contractor, and Integrator may be used interchangeably, and shall be construed to mean the Contractor.

The Contractor is a for profit corporation. The Contractor's address is:

11419 Sunset Hills Road  
Reston, Virginia 20190

The Contractor's place of incorporation or organization is Virginia.

A. SCOPE OF SERVICES:

- A.1 General Scope. The Contractor agrees to provide ERP Software and Services in accordance with the requirements expressed herein and in the Request for Proposals for Enterprise Resource Planning (ERP) Software and Services (RFP #317.03-134), dated October 21, 2005, including its attachments (hereinafter referred to as the "RFP").

Under the terms of this contract, the Contractor is required to provide, and, if necessary, modify commercially-available Enterprise Resource Planning software and associated software products to meet the requirements identified herein and in the following RFP attachments and documents:

*RFP Attachment 6.8: Functional Requirements Matrix*

*RFP Attachment 6.9: General System Requirements Matrix*

*RFP Attachment 6.10: Software Specifications*

*RFP Attachment 6.11: Technical and Architectural Requirements*

*RFP Attachment 6.12: Service Specifications*

*Request for Best and Final Offer (RFBAFO), dated April 13, 2006*

*Contractor's Best and Final Offer (BAFO) Technical and Cost Proposals, dated April 28, 2006*

The Contractor's responses to the attachments and documents listed above become part of this contract upon execution. Note the order of precedence that appears in Contract Section E.9.

- A.2 Functional Areas. The major functional areas addressed in this contract are:

- ◆ Human Resources / Payroll
  - Payroll-Administration
  - Benefits Administration
  - Classification and Compensation
  - Employee Self-Service
  - Insurance Administration

- Personnel Administration
- Timekeeping /Leave Accounting
- Training/Employee Development
- ◆ Financial Management
  - Accounts Payable
  - Accounts Receivable
  - Budgetary Control
  - Cash Management/Bank Reconciliation
  - Cost Allocation
  - General Ledger
  - Grant Accounting
  - Project Management
  - Travel
- ◆ Procurement / Logistics
  - Asset Management
  - Fleet Management
  - Inventory
  - Plant Maintenance
  - Purchasing
- ◆ Data Warehouse and Business Data Analysis

In this Contract, the application modules listed under Human Resources/Payroll above will be generally referred to collectively as the HR/Payroll modules or HR/Payroll system. The modules listed under Financial Management, Procurement/Logistics and Data Warehouse and Business Data Analysis will generally be referred to collectively as Financials, Procurement and Logistics.

A.3. State's Right to Remove Modules from the ERP System.

A.3.a. The State reserves the right, at any time during the term of the Contract and at the State's sole discretion, to reduce the scope of the Contractor's obligations by removing any or all of the following software modules and their associated implementation services from the ERP project scope:

- i. Fleet Management
- ii. Data Warehouse and Business Data Analysis
- iii. Travel

A.3.b. The Licensee will assess the degree of customization to determine the suitability of the software modules listed in A.3.a above. The Licensee, with assistance from the Contractor will perform a "fit gap analysis" to determine the suitability of the software modules. This analysis shall include a comparison of the software's fit to the ERP functional requirements. The fit gap analysis shall be completed within six (6) months of the completion of the Core Software Vendor Baseline Test Suite for the software module in question.

A.3.c. If the State exercises this right, the State and the Contractor shall execute a mutually agreeable Change Order Request, which will result in a cost reduction to the State in an amount equal to the value of the ~~unused products, licenses, licensure fees, and services not performed as a result of the scope reduction.~~ The State will base its assessment of such amounts on the costs proposed by the vendor and stated in Contract Section C.3. The State shall receive this cost reduction in one of the following forms, as determined by the State to be appropriate:

- i. Refund of an amount already paid;
- ii. Reduction in future amounts expected to be paid; and/or

- iii. Substitution of work or products, within the general scope of the Contract, that are deemed by the State to be of equal value.

If the State chooses to achieve the cost reduction through the option stated at Section A.3.c.ii above, the reduction amounts for each future payment shall be calculated as described in Section C.3.d. In addition to the Change Order, the State will also process a Contract amendment to modify the payment table in Contract Section C.3.b to reflect the reduction amounts.

A.3.d. Depending upon the timing and form of the scope reduction, the State may also have to amend the contract to modify one or more amounts on the payment schedules in Contract Section C.3.

A.4 Timeline. The State of Tennessee intends to implement the selected ERP software in two phases:

- Phase I – Human Resources / Payroll functionality
- Phase II – Financials, Procurement, and Logistics functionality

The expected timeline for the Implementation phase of the Edison Project is a start date of July 5, 2006, with Human Resources/Payroll functionality going into production with the start of the new calendar year 2008 (January 1, 2008). To accommodate normal State business operations, the Edison system will be available for production usage prior to that date so that State business commences on that date. The State would like to deploy the Financials and Procurement / Logistics functionality in multiple waves, with a balanced schedule of deploying agencies over no more than six (6) months, favoring the core central agencies first. The first wave will deploy at the start of the new State fiscal year 2009 (July 1, 2008). The State has not scheduled agencies and deployment dates at this time, and will work with Contractor to create a schedule that best mitigates project risk and allows later deployments to benefit from lessons learned in the earlier waves.

If the selected Contractor exceeds the target production dates and the delay is not due to State staff failing to meet their project responsibilities, such overages will not be remedied through the change order process. The approval of change orders is at the sole discretion of the State.

ID	Task Name	2006			2007				2008				2009
		Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
1	Human Resources/Payroll	[Timeline bar spanning from Q2 2006 to Q4 2008]											
2	Plan	[Task bar]											
3	Analysis/Design	[Task bar]	[Task bar]										
4	Construction and Test			[Task bar]	[Task bar]								
5	Parallel Test and Train					[Task bar]	[Task bar]						
6	Go Live						[Task bar]	[Task bar]					
7	Post Go-Live Support							[Task bar]	[Task bar]				
8	Finance/Procurement/Logistics	[Timeline bar spanning from Q2 2006 to Q4 2008]											
9	Plan	[Task bar]											
10	Analysis/Design	[Task bar]	[Task bar]										
11	Construction and Test			[Task bar]	[Task bar]								
12	End-To-End Test and Train					[Task bar]	[Task bar]						
13	Go Live						[Task bar]	[Task bar]					
14	System Deployment							[Task bar]	[Task bar]				
15	Post Go-Live Support							[Task bar]	[Task bar]				

The scope of work under this contract shall consist of two Phases listed above, each phase with six Work Stages as follows:

1. Plan
2. Analysis/Design
3. Construction
4. Test and Train
5. Go Live
6. Post Go-Live Support

Additionally, the deployment (Go Live) stage for Financials, Procurement, and Logistics will be performed in multiple waves.

A.5 Types of Services. The Contractor shall provide services including, but not limited to, the following:

- ◆ Project management
- ◆ Software installation, testing and tuning
- ◆ Business process design and software configuration
- ◆ Customizations
  - Reports analysis and development
  - Enhancements and modifications
  - Interface development
  - Data conversion
  - Workflow / security configuration
- ◆ Training and documentation
- ◆ Cultural change management
- ◆ Implementation / deployment support (including supplier outreach and catalog management for procurement)
- ◆ Post-implementation support

Services to be provided are described in this section of the Contract, and in the Contractor's response to RFP Attachment 6.12. The Contractor's response to RFP Attachment 6.12 becomes part of the contract upon execution.

A.6. Prime Contractor as Integrator and Integrator's Relationship with Subcontractor(s).

A.6.a. This contract makes reference to two categories of service providers: (1) the "Prime Contractor," otherwise known as the "Contractor" and defined in the preamble; and (2) the Subcontractor(s), which are defined as entities who have entered into a contractual relationship with the Prime Contractor to provide software and services required by this Contract.

A.6.b. Subcontractors may include, but not be limited to, the providers of Custom-Developed Application Software, Rights Transfer Application Software, Proprietary Operating Environment/Utility Software Packages, Proprietary Core System Software, Contractor-Owned Core System Software, Public Domain Software, and/or Specialized Software, Add-Ons, Plug-Ins, etc. While there may be multiple Subcontractors providing software under this Contract, there will be a primary ERP Software Vendor (referred to as the "Primary Software Vendor") who will provide the core ERP software on which Edison will be based. For all non-State standard software that requires licenses, the State shall purchase the licenses and any ongoing support for such licenses directly from the Software Vendor(s), as described in ~~Contract Section A.9.b. See RFP Attachment 6.19 for a pro-forma version of the Software License that~~ will be used to effect such licensure.

A.6.c. The Integrator shall manage the project and coordinate the efforts of the Software Vendor. This Contract is with the Integrator, and the term of the Contract shall be as defined in Contract Section B.1. This term stated in Section B.1 is the longest period of time that the State would anticipate having an active contract

with the Integrator; however, the State intends to terminate this Contract upon the completion of, and the State's signed acceptance of, the final Year-End Support Acceptance Checklist.

- A.6.d. Upon termination of this Contract, any Software License entered into between the State and the Primary Software Vendor, Software Vendor(s), and subcontractor(s) shall remain in effect, in accordance with the terms of these Software Licenses.
- A.6.e. Upon termination of this Contract, any ERP Software Licensure Contracts entered into between the State and the Primary Software Vendor and subcontractors shall remain in effect, in accordance with the terms of these Software Licensure Contracts. Ongoing payments made by the State to the Primary Software Vendor and subcontractors after the termination of the Contract shall be made in accordance with the pertinent Software Licensure Contracts.
- A.7. Information Technology Methodology (ITM). The Contractor shall utilize the State's ITM in the development and implementation of the Edison System. The Project Management Processes are concerned with organizing and controlling the work of the project. The Product Development Phases are concerned with developing the product that the project is intended to produce. The Project Management Processes extend over one or more Product Development Phases. Throughout the project, the Contractor shall produce various Project Management Process and Product Development Phase deliverables. Some of these products are specific deliverables that are managed, produced, and updated by the Contractor, while others are natural work-products arising out of the shared effort of both parties. The minimum set of deliverables and responsibilities are defined within this Contract and its attachments.
- A.8. Detailed Product Development Methodology. Since the State's ITM is defined at a high-level for use on all types and sizes of IT projects, the Contractor shall utilize a detailed project management methodology within the guidelines of the State's ITM and standards for use in the configuration, development and future maintenance of the Edison System. The State-approved methodology of the Contractor shall be utilized in all phases of the project to promote consistency and continued flexibility for the life of the ERP solution.
- A.9. Software Procurement.
- A.9.a. State Standard Software Procurement. The State shall procure all State standard products identified in the Contractor's Proposal and approved by the State for use in Edison (e.g. application development software, database management systems (DBMS), reporting tools, and utilities), through existing State contracts. See RFP Attachment 6.11, Section 6.11.3, for the State's requirements with regard to Mandatory State-Standard software.
- A.9.b. Non-State Standard Software Procurement. The State shall procure all approved Non-State Standard software for use in the ERP System (e.g. Rights Transfer Application Software, Proprietary Operating Environment/Utility Software Packages, Proprietary Core System Software, Contractor-Owned Core System Software, and Specialized Software, Add-Ons, Plug-Ins, etc.) by executing Software License(s) directly with the provider of the software in question. For definitions of the software categories mentioned in the parenthetical above, see Contract Section E.6.

There may be more than one such Software License.

- A.10. Project Steering Committee (PSC) Oversight. The State's PSC provides executive-level guidance for the Edison Project. This committee is made up of representative senior business and technical executives across State government. The PSC shall evaluate the project at critical review points as defined by the State. PSC approval is required for any changes to the project deliverables or implementation schedule.
- A.11. Narrative Project Status Report and PSC Presentation. The Contractor shall make a semi-monthly presentation to the PSC. ~~The narrative Project Status Report and presentation shall be provided that~~ details the progress of the project, identifies the monthly activities of the project, documents upcoming key activities and identifies the issues and items needing PSC attention. The PSC may request unscheduled reports from the Contractor to address specific concerns relating to the project status.
- A.12. Project Team and Organization. The Contractor shall provide a document identifying the Contractor and State project staff and their role assignments, as well as the organizational structure of the project team.

This document shall be updated throughout the project to reflect any changes in project staffing and team organization that occur. The Project Team and Organization document shall be created in response to RFP Attachment 6.3, Section B.10 and shall be enhanced and updated throughout the project to reflect current information.

- A.13. State Project Team. State roles and full-time equivalents (FTE's) that have been allocated to the Edison project are described in the following sections. The State has provided a sample Project Team Organization Chart in Contract Attachment B, Section B.5.3.
- A.13.a. Project Director. The Edison Project Director shall report directly to the Project Steering Committee. The Project Director is responsible for leadership and oversight of all project activities, tasks and plans, including staffing, budget, resource allocation, implementation and deployment decisions, and strategic planning and communications. The Project Director is the primary contract manager for the Contractor during the project, and is the primary liaison to State executives and managers outside the project.
- A.13.b. Configuration Manager. The Configuration Managers serve on the Edison Project Team, working under the direction of the Project Director. The Configuration Managers are responsible for leading a large and diverse team focused on a specific ERP module such as Human Resources (Personnel), Payroll, Benefits, Financials, Procurement or Asset Management. The Configuration Manager is responsible for managing all aspects of the team's effective and successful work effort for software configuration, development, testing, and deployment of a specific ERP functional module, based on prior experiences with State processes and the knowledge and guidance provided by Contractor consultants.
- A.13.c. Configuration Lead. The Configuration Lead serves on the Edison Project Team, working under the direction of a Configuration Manager and the Project Director. The Configuration Lead is responsible for leading a small to medium-sized team focused on software configuration, development, testing, and deployment of a specific ERP functional module, based on prior experiences with State processes and the knowledge and guidance provided by Contractor consultants. Configuration Leads have responsibilities in one of the following core process areas: Human Resources (Personnel), Payroll, Benefits, Financials, Procurement or Asset Management.
- A.13.d. Configuration Consultant. The Configuration Consultant serves on the Edison Project Team, working under the direction of a Configuration Lead and a Configuration Manager. The Configuration Consultant is responsible for leading a small team and/or individually contributing to a team focused on software configuration, development, testing, and deployment of a specific ERP functional module, based on prior experiences with State processes and the knowledge and guidance provided by Contractor consultants. Configuration Consultants have responsibilities in one of the following core process areas: Human Resources, Payroll, Benefits, Financials, Procurement or Asset Management.
- A.13.e. Enterprise Readiness Lead. The Enterprise Readiness Lead serves on the Edison Project Team, working under the direction of the Project Director. The Enterprise Readiness Lead is responsible for leading a small to medium-sized team focused on training, cultural change management and communications for Project Edison, and may be assigned to a specific ERP functional area, or may have cross-area or project-wide responsibilities.
- A.13.f. Enterprise Readiness Consultant. The Enterprise Readiness Consultant serves on the Enterprise Readiness Team, working under the direction of an Enterprise Readiness Lead. The Enterprise Readiness Consultant is responsible for leading a small team and/or individually contributing to a team focused on training, cultural change management and communications. The Consultant may be assigned to a specific ERP functional area, or may contribute cross-area or project-wide.
- A.13.g. Technical Lead. The Technical Lead serves on the Edison Project Team, working under the direction of the Project Director. The Technical Lead is responsible for leading a small to medium-sized team focused on all technical aspects of the Edison project, including technical design, analysis, programming, testing, support and maintenance. Technical activities can also include hardware administration, network administration, testing management and database administration, and the Technical Lead will supervise their area based on their prior experience with the State's technical architecture and infrastructure, and their technical expertise.

- A.13.h. Technical Consultant. The Technical Consultant serves on the Technical Team, working under the direction of a Technical Lead. The Technical Consultant is responsible for leading a small team and/or individually contributing to a team focused on a specific technical aspect of Project Edison.
- A.13.i. Other State Project Staff Assignments. The State shall assign additional State staff to project roles, as described in the Role Tables below, to participate with the Contractor's staff in all Project Management Processes and Product Development Phases as outlined in the State's IT Methodology. At the State's discretion, state personnel may be substituted, added, or removed.

PROJECT ROLE	STATE FTE ESTIMATE
Project Director	1.0
Project Administrative Assistants	2.0
Configuration Managers	6.0
Configuration Leads	12.0
Enterprise Readiness Leads (Communications, Training, Cultural Change Management)	3.0
Technical Leads	2.0
Configuration Consultants	36.0
Enterprise Readiness Consultants	23.0
Technical Consultants (Database Administrators)	2.0
Technical Consultants (Hardware Administrators)	2.0
Technical Consultants (Testing Managers, Programmers)	21.0
<b>Total Estimated Project FTE's (State Staff)</b>	<b>110.0</b>

A.14. Contractor's Staffing. The Contractor shall staff the project team appropriately to assure that it can meet the responsibilities defined in this Contract in an efficient, effective, and timely manner. This shall require project team staff with the necessary expertise and in adequate number to perform or administer the activities.

A.14.a. Contractor Project Team. The Contractor shall have full responsibility for providing staff sufficient to complete the project in the required time frame. The initial Project Team and any subsequent substitution of Project Team members shall require approval by the State. Failure of the Contractor to provide a replacement with equal or greater qualifications may result in Contract termination.

State requirements for experience and responsibility levels are detailed in Contract Attachment B, Section B.5.

Contractor will provide sufficient and appropriate staff to meet the State's requirements for testing and quality assurance. These requirements are listed below in Section A.18.

During the project, the Enterprise Readiness (Training) Team will consist of Contractor and State personnel. The Contractor shall provide at least thirty-five percent (35%) of the training development and training delivery resources. Training will be delivered to groups of approximately fifteen (15) participants (i.e., normal class size is 15 participants). As noted earlier, the State will be responsible for Change Management activities, and the Contractor must provide one full-time Change Management Manager for guidance in this area.

The cost to implement the Contractor's recommendations for project team training must be included in the total cost for the proposal (not including travel costs that the State might incur if a course is offered somewhere other than Nashville).

A.14.b Key Contractor Staff. The following eleven Contractor roles will be considered key personnel for this project:

- ◆ Project Manager;
- ◆ Deputy Project Manager;
- ◆ HR/Payroll Configuration Manager;
- ◆ Financial/Procurement Configuration Manager;
- ◆ Technical Manager;
- ◆ Two Configuration Leads under the Payroll/HR Configuration Manager;
- ◆ Two Configuration Leads under the Financial Procurement Configuration Manager;

- ◆ One Technical Lead under the Technical Manager; and,
- ◆ One Training/Change Management Manager in the Enterprise Readiness area.

The State shall have the right to approve the assignment and replacement by the Contractor of all key personnel assigned to provide services, including, without limitation, the Project Manager, other individuals named or described in the Contractor's proposal, and individuals assigned significant managerial responsibilities as mutually agreed by the parties. Before assigning an individual to any of these positions, the Contractor shall notify the State of the proposed assignment, shall introduce the individual to the appropriate representatives of the State, and shall provide to the State a resume and any other information about the individual reasonably requested by the State. The State reserves the right to interview the individual before granting approval.

It is critical to the overall success of the project that the Contractor not remove or reassign, without the State's prior written approval (which approval shall not be unreasonably withheld) any of the key personnel until such time as the key personnel have completed all of their planned and assigned responsibilities in connection with performance of the Contractor's obligations under the contract. The unauthorized removal of key personnel by the Contractor shall be considered by the state as a material breach of contract and covered by the terms in Section E.21 of this contract.

- A.14.c. Plan for Working with State Staff within Work-Day Constraints. The Plan for Working with State Staff shall be created during Stage 1: Plan, and shall be updated throughout the project. The Contractor shall coordinate with State staff to accommodate unusual schedule needs.
- A.14.d. Contractor Work Space, Connectivity, Supplies, and Equipment. The Contractor shall provide supplies and equipment for Contractor staff that meets minimum State platform requirements for work stations. More detailed information for work space, connectivity, supplies and equipment is provided in Contract Attachment B, Section B.6.
- A.15. Status Meetings and Status Reports. The Contractor shall conduct weekly status meetings with the State Project Director and Project Team. The Contractor shall prepare weekly Status Reports that reflect the major activities for the reporting period. Project management shall use the Status Report as a mechanism to monitor project activity, and to detect potential problems or delays. Reports shall be primarily in list form and shall serve as agendas for meetings. Topics to be covered include:
- a. a Gantt chart generated from Microsoft Project comparing status with the baseline;
  - b. a listing of significant departures from the Master Project Work Plan with explanations of causes and strategies to achieve realignment;
  - c. a listing of tasks that were completed since the last report;
  - d. tasks that were delayed and reasons for delay;
  - e. tasks in progress, with an indication of priority ranking;
  - f. planned activities for the next scheduled period;
  - g. staffing concerns or issues encountered, proposed resolutions and actual resolutions;
  - h. an updated report on project risks with recommendations for elimination or mitigation; and
  - i. a listing of any other topics that require attention from the State's Project Manager or the PSC.
- A.16. State Service Portal Contract. The State has established a State Service Portal to provide a single access point that functions as an interactive information and transaction gateway to improve the way citizens and businesses access State government services and information over the Internet. Please see RFP Attachment 6.11, Section 6.11.4.5 for responsibilities related to the State Service Portal.
- A.17. HIPAA, Confidentiality Agreements, and Acceptable Use Policy. The Contractor, State-approved subcontractors, and their employees may be required to sign HIPAA Business Associate Agreements (see Contract Attachment D), State agency confidentiality agreements, and/or State Acceptable Use Policy agreements (see Contract Attachment C), in addition to complying with the confidentiality requirements stated herein.
- A.18 Project Quality Management and Testing Requirements.

A.18.a Staffing.

A.18.a.1 Contractor Responsibilities.

1. The Contractor shall staff the on-site project team with a Quality Control Manager role. The project team member assigned this role must have the managerial authority to fulfill the following responsibilities.
  - a. Participate in developing the project's Quality Management Plan.
  - b. Ensure that Contractor quality control activities are performed and documented.
  - c. Ensure that corrections identified through those activities are made.
  - d. Ensure that corrections identified by State quality review are made.
  - e. Administer the Contractor's process for resolving defects in both software and non-code deliverables.
  - f. Collect and report quality metrics as defined in the Quality Management Plan for the Contractor's work activities.
2. The Contractor shall staff the on-site project team with a Configuration Manager role. The project team member assigned this role must have the managerial authority to fulfill the following responsibilities.
  - a. Develop the Configuration Management Plan deliverable and obtain concurrence with it from other project team management.
  - b. Administer the project configuration management tool if the Contractor is required to provide it.
  - c. Ensure Contractor project team compliance with the project configuration management process.
  - d. Ensure the Contractor's responsibilities within the project's change management process are fulfilled.
  - e. Control and execute the software build and deployment process for the Contractor test environment(s). If delegated by the State, execute (under State control) the software build and deployment process for the acceptance test environment.
  - f. Collect metrics from configuration management activities as defined in the Quality Management Plan.
3. The Contractor shall staff the on-site project team with a Test Manager role. The project team member assigned this role must have the managerial authority to fulfill the following responsibilities.
  - a. Develop test management level documentation and obtain concurrence from other project team management on the documentation.
  - b. Oversee development of detail test plans for Contractor capacity, system, and integration testing.
  - c. Plan adequate resources and schedule for Contractor capacity, system, and integration testing.
  - d. Manage the Contractor capacity, system, and integration testing effort to meet schedule and quality requirements.
  - e. Assess the effectiveness of unit testing and communicate needed improvements.
  - f. Ensure that Contractor responsibilities for support of State acceptance testing are fulfilled.

A.18.a.2 State Responsibilities.

1. The State will staff the on-site project team with a Quality Assurance/Testing Manager. This person will be responsible for managing State deliverable reviews and managing State acceptance testing. This person may be allocated to the project less than full time depending on demand.
2. If the State provides configuration management and/or issue/defect tracking software tools, the State will provide a part time tool administrator.
- ~~3. The State may allocate additional quality assurance support staff to the project on a part-time, short-term basis. The Contractor shall not plan for allocation of any such resources.~~
4. The State will provide technical and business subject matter experts on a limited, part time, and scheduled basis. These persons will provide consultation on and review of deliverable content.
5. The State will form an acceptance test team with business staff and analysts. The team size will be dependent upon member availability and may vary during the acceptance test effort.

A.18.b Quality Management – General.

A.18.b.1 Contractor Responsibilities.

1. The Contractor shall be fully responsible for the quality (completeness, correctness, and usability) of deliverables (services and products defined in the contract) submitted to the State, unless otherwise noted in the contract.
2. The Contractor shall institute (define, communicate, and ensure compliance with) processes and controls to ensure it can meet its quality responsibility. These processes and controls must address all forms of project deliverables including static, textual deliverables and dynamic, executable deliverables. The Proposal must identify and briefly describe the processes and controls the Bidder would institute if awarded the contract for this project.
3. The Contractor shall collect and maintain records on the operation of its quality processes and controls using State-standard tools (where available). The Contractor shall make these records available to the State upon request.
4. The Contractor shall correct all deficiencies in deliverables as required by the State. The Contractor shall only be required to correct deficiencies that the State reports in writing.

A.18.b.2 State Responsibilities.

1. The State shall provide limited support to the Contractor for producing acceptable deliverables. This support may include limited access to business subject matter experts, technical staff, relevant documentation, or other resources, as the State deems appropriate.
2. The State shall provide executive management oversight and direction in the form of the Project Steering Committee (PSC) made up of key executives from stakeholder organizations. This committee shall resolve issues (quality or other) raised by project management. It also shall evaluate the project's viability at each major contractual milestone and, if viable, will authorize continuance of the project.
3. The State will make a reasonable effort to quickly and completely identify and report all deliverable deficiencies to the Contractor within contractually specified time periods. The State will not represent nor agree that any specific report or list of deficiencies is an exhaustive list or a predictor of deliverable acceptance.
4. The State will provide acceptance criteria for deliverables and will provide reasonable but limited advice to the Contractor regarding their interpretation. The State shall remain the sole judge of its criteria being met.

A.18.c Quality Management – Planning

A.18.c.1 Contractor Responsibilities.

1. The Contractor shall have designated staff on-site to work with designated State project team members to co-develop a Quality Management Plan as defined in the Deliverable Specifications section of this attachment.
2. The Contractor shall schedule tasks and resources in the project Work Plan to accomplish the Quality Management Plan's defined activities. Where such activities require State tasks and resources, the Contractor shall obtain commitments from the State and incorporate them into the project Work Plan.
3. The Contractor shall provide a sign-off that the Quality Management Plan is accurate and that the Contractor will meet its responsibilities as defined in the plan.
4. The Contractor shall work with the State to keep the Quality Management Plan up to date with current activities and responsibilities. The Contractor shall obtain prior approval from the State if the need arises to change any of its activities and responsibilities.

A.18.c.2 State Responsibilities.

1. ~~The State shall designate project team members who shall work with Contractor staff on-site to~~ co-develop a Quality Management Plan as defined in the Deliverable Specifications section of this attachment.
2. The State shall provide staffing and time commitments to accomplish State responsibilities defined in the Quality Management Plan for inclusion into the project Work Plan.
3. The State shall provide a sign-off that the Quality Management Plan is acceptable and that the State will meet its responsibilities as defined in the plan.

4. The State shall work with the Contractor to keep the Quality Management Plan up to date with current activities and responsibilities. The State must be notified in advance of any need to change Contractor activities and responsibilities and must approve such changes before implementation.

#### A.18.d Quality Assurance Assessment

##### A.18.d.1 Contractor Responsibilities.

1. The Contractor shall periodically review the Quality Management Plan and evaluate project performance against the defined goals and objectives.
2. The Contractor shall make project records and work papers available to the State upon request to support a quality assurance assessment.
3. The Contractor shall make project team members available to the State for interview upon request to support a quality assurance assessment.
4. The Contractor shall implement process improvements on the project as recommended by the quality assurance assessment and directed by State project management.

##### A.18.d.2 State Responsibilities.

1. The State may, at its sole discretion, perform one or more assessments of project quality performance. This Quality Assurance Assessment will evaluate project performance against the Quality Management Plan goals and objectives. The assessment will provide written recommendations for improvements to project management and higher-level management as needed.
2. The State may schedule quality assurance assessments periodically throughout the project if it determines that there is a need for ongoing monitoring of project quality performance.

#### A.18.e Scope Control

##### A.18.e.1 Contractor Responsibilities.

1. The Contractor shall document scope control processes and roles and responsibilities as specified by the State in the project Configuration Management Plan.
2. The Contractor shall not work on out-of-scope features, functions, or tasks until the State grants authorization in writing.
3. The Contractor shall provide a fixed-price estimate for each scope change being investigated by the State.
4. The Contractor shall advise the State regarding schedule and resource impacts for each scope change the State considers.
5. The Contractor shall track the progress of work on authorized change orders and report to the State upon request.

##### A.18.e.2 State Responsibilities.

1. The State will define scope control processes and roles and responsibilities to the Contractor for documenting in the Configuration Management Plan.
2. The PSC will evaluate potential scope changes and authorize those it deems necessary.
3. The State shall authorize out-of-scope work (change orders) at its sole discretion.
4. The State shall only authorize out-of-scope work in writing.
5. The State shall not be liable for out-of-scope work the Contractor undertakes without written State authorization.

#### A.18.f Configuration Management

##### ~~A.18.f.1 Contractor Responsibilities.~~

1. The Contractor shall acquire a sufficient number of software configuration management tool licenses to support the entire project team (both State and Contractor staff).
2. The Contractor shall maintain all contract deliverables under version control. The deliverable initial version submitted for State acceptance must be under version control, but may be placed under version control earlier in its development.

3. The Contractor shall ensure that a deliverable version under State review is not changed while being reviewed.
4. The Contractor shall ensure that a deliverable version approved by the State is not changed after approval.
5. The Contractor shall ensure that its project team members work from approved deliverable versions only.
6. The Contractor shall ensure that the approved version of every deliverable is easily identifiable in the configuration management/version control tool.
7. The Contractor shall provide Release Notes (as defined in this attachment's Deliverable Specifications section) with each software release submitted for State acceptance test.

A.18.f.2 State Responsibilities.

1. The State may provide a State-standard configuration management tool for on-site project team use. The State will by default restrict access to the tool to on-site staff only, but may allow off-site access at its sole discretion if justified.
2. The State will control release of software into the State's acceptance test environment. The procedure of migrating software to this environment, if delegated to the Contractor, may only be performed with prior authorization from the State project management.
3. The State will control release of software into the State's production environment. The procedure of migrating software to this environment, if delegated to the Contractor, may only be performed with prior authorization from the State project management and prior notification to the customer agency business unit.

A.18.g Testing Requirements – Test Planning

A.18.g.1 Contractor Responsibilities.

1. The Contractor shall develop a Test Management Plan to ensure efficient and effective operation and control of its testing activities. The plan shall conform to the description in the Deliverable Specifications section of this attachment.
2. The Contractor shall obtain written State approval of the Test Management Plan prior to beginning detail test development.

A.18.g.2 State Responsibilities.

1. The State shall review the Test Management Plan and advise the Contractor as to its acceptability.

A.18.h Testing Requirements – Capacity Evaluation Planning

A.18.h.1 Contractor Responsibilities.

1. The Contractor shall develop a Capacity Evaluation Plan for predicting the system's impact on the State's technical infrastructure. The plan shall conform to the description in the Deliverable Specifications section of this attachment.
2. The Contractor shall update the Capacity Evaluation Plan during the project as required by the State due to relevant changes in the State technical architecture or other factors.
3. The Contractor shall include load/stress and volume/throughput test scenarios in the Capacity Evaluation Plan.
4. The Contractor shall obtain written State approval for the initial and updated (if required) releases of the Capacity Evaluation Plan. The Contractor shall re-confirm with the State that the most recent release of the plan remains applicable prior to beginning the Capacity Evaluation Test.

A.18.h.2 State Responsibilities.

1. The State shall provide relevant technical and other data for use in the capacity evaluation. ~~Information relating to hardware, software, and communications network is referenced in State~~ Standards, Guidelines and Technical Architecture. The Contractor should also see Contract Attachment B, ERP Scoping Information, for Estimated Transaction Volume Counts and Training Requirements.
2. The State shall provide updated or more detailed capacity-related data as such data become available.

3. The State shall review each release of the Capacity Evaluation Plan and advise the Contractor as to its acceptability.

A.18.i Testing Requirements – Test Development: Unit Test

A.18.i.1 Contractor Responsibilities.

1. The Contractor shall develop unit test procedures that fully test the unit (module, class, etc.) logic as designed. Unit test procedures must cover both normal and exception processing.

A.18.i.2 State Responsibilities.

1. None.

A.18.j Testing Requirements – Test Development: Integration Test

A.18.j.1 Contractor Responsibilities.

1. The Contractor shall develop an Integration Test Plan to ensure that all interfaces are fully and reliably functional. Integration test cases shall cover:
  - a. Internal interfaces (e.g., APIs)
  - b. Sequential processing (e.g., batch, file-based)
  - c. External interfaces (e.g., third-party business systems)
2. The Contractor shall obtain written State approval for the Integration Test Plan prior to beginning integration test execution.

A.18.j.2 State Responsibilities.

1. The State shall review the Integration Test Plan and advise the Contractor as to its acceptability.

A.18.k Testing Requirements – Test Development: System Test

A.18.k.1 Contractor Responsibilities.

1. The Contractor shall develop a System Test Plan to ensure that all system processing is accurate and that all system outputs are valid. The plan shall conform to the description in the Deliverable Specifications section of this attachment.
2. The Contractor shall obtain written State approval for the System Test Plan prior to beginning system test execution.

A.18.k.2 State Responsibilities.

1. The State shall review the System Test Plan and advise the Contractor as to its acceptability.

A.18.l Testing Requirements – Test Development: Acceptance Test

A.18.l.1 Contractor Responsibilities.

1. Provide input as requested for Acceptance Test Plan.

A.18.l.2 State Responsibilities.

1. The State shall develop an Acceptance Test Plan. The plan will be based on the State's business and technical requirements as defined and documented during the project. The Acceptance Test Plan will cover functional testing and may cover any or all of the following:
  - a. Performance/load testing
  - b. Interfaces with business partner systems
  - c. Usability testing

A.18.m Testing Requirements – Test Environment Preparation

A.18.m.1 Contractor Responsibilities.

1. The Contractor shall install software into the acceptance test environment only with prior written approval from State project management.
2. The Contractor shall provide all software and documentation required to support system backup, recovery, restart, and reorganization of the State's testing environment.

3. The Contractor shall prepare procedures for loading, capturing or reporting, and refreshing data in the State's test environment. The Contractor shall deliver these procedures as part of the initial release of the software it submits for acceptance testing.
4. The Contractor shall prepare test data and data to be retained for ongoing testing which supports thorough test coverage according to approved Contractor test plans.
5. The Contractor shall convert samples of legacy data sufficient for the State to conduct acceptance testing according to its Acceptance Test Plan. This will include populating the system with sufficient data so that the acceptance test environment contains a fully functional system.
6. The Contractor shall train the State's acceptance test team members on basic use of the system.

A.18.m.2 State Responsibilities.

1. The State will assign staff to form an acceptance test team.
2. The State will schedule acceptance test team members for training and testing activities.
3. The State will advise the Contractor on the acceptability of converted (seed) data for acceptance testing.

A.18.n Testing Requirements – Test Execution: Unit Test

A.18.n.1 Contractor Responsibilities.

1. The Contractor must perform unit tests on-site.
2. The Contractor must be prepared to reproduce any or all unit tests upon State request.

A.18.n.2 State Responsibilities.

1. The State may, at its sole discretion, require the Contractor to reproduce any or all unit tests.

A.18.o Testing Requirements – Test Execution: Integration Test

A.18.o.1 Contractor Responsibilities.

1. The Contractor must perform integration tests on-site.
2. If the Contractor uses testing tools for integration testing, those tools shall be the State standard products and versions.
3. The Contractor shall perform a full integration test in the State's testing environment prior to releasing the software to the State for acceptance testing. The software release must pass this test for the State to consider allowing it into acceptance testing.

A.18.o.2 State Responsibilities.

1. The State will observe or review the full integration test as part of its decision to accept a software release into acceptance testing.

A.18.p Testing Requirements – Test Execution: System Test

A.18.p.1 Contractor Responsibilities.

1. The Contractor must perform systems tests on-site.
2. If the Contractor uses testing tools for system testing, those tools shall be the State standard products and versions.
3. The Contractor shall perform a full system test in the State's testing environment prior to releasing the software to the State for acceptance testing. The software release must pass this test for the State to consider allowing it into acceptance testing.

A.18.p.2 State Responsibilities.

1. The State will observe or review the full system test as part of its decision to accept a software release into acceptance testing.

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A.18.q Testing Requirements – Test Execution: Capacity Evaluation Test

A.18.q.1 Contractor Responsibilities.

1. The Contractor shall conduct all planned capacity evaluation testing in accordance with the approved Capacity Evaluation Plan.

2. If the Contractor uses testing tools for capacity evaluation testing, those tools shall be the State standard products and versions.
3. The Contractor shall conduct all planned capacity evaluation testing in cooperation with a designated State capacity evaluation test team (see Capacity Evaluation Testing: State Responsibilities, below).
4. The Contractor must be prepared to perform multiple iterations of capacity evaluation testing upon State request.
5. The Contractor shall obtain written acceptance of the test results from the State capacity evaluation test team.

A.18.q.2 State Responsibilities.

1. The State will assign technical staff to form a capacity evaluation test team. Team members will represent all areas relevant to the system's technical design.
2. The State capacity evaluation test team will support and participate in the Capacity Evaluation Test on a limited basis. Team members will be available part time only and only when scheduled in advance.
3. The State capacity evaluation test team will evaluate capacity test results and advise the Contractor on their acceptability.

A.18.r Testing Requirements – Test Execution: Acceptance Test

A.18.r.1 Contractor Responsibilities.

1. The Contractor shall reset the acceptance test environment to its initial state (see Test Environment Preparation, above, in this attachment) upon State request.
2. The Contractor shall resolve any issues or discrepancies reported by the State as defined in the Defect Reporting and Resolution section of this attachment (below).
3. The Contractor shall work with the State to investigate potential scope changes and complete change orders authorized by the State as described in the Change Management/Scope Control section of this attachment (above).

A.18.r.2 State Responsibilities.

1. The State will determine when a system release is acceptable for conducting acceptance testing. The acceptance test entrance criteria will include:
  - a. Contractor has successfully demonstrated system and integration testing and the State has approved all reviewed unit, integration, and system test results.
  - b. Contractor has delivered to the State all deliverables prerequisite to or associated with the system release and the State has approved these deliverables.
  - c. Contractor has placed the complete code base under version control/configuration management.
  - d. Contractor has successfully converted and loaded acceptance test data as required by the State.
  - e. Acceptance test team has been trained on the application.
2. The State will conduct a rigorous acceptance test of the system following the procedures defined in the Acceptance Test Plan and using State-standard testing tools.
3. The State will verify and document its acceptance test results including reporting any issues or discrepancies discovered as defined in the Defect Reporting and Resolution section of this attachment (below).
4. The State will identify potential scope changes and authorize change orders it deems necessary to project completion as described in the Change Management/Scope Control section of this attachment (above).
5. The State will notify the Contractor in writing when it determines that the system is acceptable.

~~A.18.s Testing Requirements – Test Results Analysis and Reporting: Defect Reporting and Resolution~~

A.18.s.1 Contractor Responsibilities.

1. The Contractor shall fix all system defects identified by the State and as required by the State.
2. The Contractor shall track the work on each required fix and report progress upon State request.
3. The Contractor shall fix system defects according to their State-assigned priority.
4. The Contractor shall obtain written authorization from the State before proceeding with a fix.

5. The Contractor shall evaluate each reported issue/discrepancy and report its findings to the State. Findings shall include:
  - a. An estimate of the time and effort needed to resolve the issue/discrepancy
  - b. Potential impacts/risks to the project schedule and resources
  - c. Potential impacts/risks to the application/system
6. The Contractor shall fix system defects that the State classifies as "critical" as quickly as possible, bringing to bear all reasonable resources.
7. The Contractor shall resolve all non-critical issues/discrepancies typically within fifteen (15) business days after State authorization to proceed with the work.

A.18.s.2 State Responsibilities.

1. The State will identify issues and discrepancies and report them to the Contractor using a standardized written or electronic format.
2. The State will determine the severity of each reported issue/discrepancy and will classify certain issues/discrepancies as "critical" at its sole discretion.
3. The State will be the final authority as to determining whether an issue/discrepancy is a defect or not.
4. The State will assign a relative priority to the defect after considering the Contractor's findings.
5. The State will be the final authority as to determining whether a defect is fixed and can be classified as closed or not.
6. The State may waive fixing a defect at its sole discretion.

A.18.t Testing Requirements – Test Results Analysis and Reporting: Capacity Evaluation Report

A.18.t.1 Contractor Responsibilities.

1. The Contractor shall prepare a Capacity Evaluation Report, which documents in detail the results of the capacity evaluation test and recommends resolutions for any performance deficiencies found. The report shall conform to the description in the Deliverable Specifications section of this attachment.
2. The Contractor shall obtain written approval of the draft Capacity Evaluation Report from a designated State technical team (see Capacity Evaluation Report: State Responsibilities, below) before submitting it for project-level approval.
3. The Contractor shall obtain written approval of the Capacity Evaluation Report from the State (project management level).

A.18.t.2 State Responsibilities.

1. The State will designate a technical team to review and approve the draft Capacity Evaluation Report. (This may be the same team as described in Capacity Evaluation Testing: State Responsibilities, above.) The technical team will provide written approval when the report is acceptable.
2. The State project management shall review the Capacity Evaluation Report and advise the Contractor as to its acceptability.

A.18.u Testing Requirements – Test Asset Management

1. The Contractor shall retain the test procedures, test data used, and results of unit tests for a time period determined by the State and shall make this test documentation available upon the State's request.
2. The Contractor shall retain the test plans, cases, procedures, test data used, and results of integration tests for a time period determined by the State and shall make this test documentation available upon the State's request.
3. The Contractor shall retain the test plans, cases, procedures, test data used, and results of ~~system tests for a time period determined by the State and shall make this test documentation~~ available upon the State's request.
4. The Contractor shall retain all supporting documentation created or obtained during the Capacity Evaluation Test for a time period determined by the State and shall make this documentation available upon the State's request.

A.18.v Disaster Recovery Plan Testing. The Contractor shall be required to update, test and maintain a Disaster Recovery Plan designated to minimize any disruption to the processing of State transactions during the term of this contract. The Contractor will be responsible to work with OIR to develop and maintain adequate backup capabilities for all electronic entry and batch processing functions of the Edison system. The Disaster Recovery Plan shall also address all processing, files, and software maintained on the LAN.

The Contractor will conduct annual test runs of the system as directed by the State. The disaster recovery plan and procedures shall, at a minimum, provide the following:

- a) Continued processing of the State transactions assuming the loss of the primary processing site. This shall include interim support for the online component of the Edison system.
- b) A detailed file backup plan and procedures, including the offsite storage of crucial transaction and master files. The plan and procedures shall include a detailed schedule for backing up critical files and their rotation to an offsite storage facility. Acquisition and maintenance of the offsite storage facility shall be the responsibility of OIR.
- c) The maintenance of Edison documentation and source program libraries at an offsite location.
- d) The Disaster Recovery Plan developed by the Contractor and any proposed changes must be approved by the State.

A.19 Detailed Approach. As stated above in Section A.4, the scope of work under this Contract shall consist of two Phases, each with six Work Stages. Additionally, the deployment of Phase II, Stage 5 for Financials/ Procurement/ Logistics will be performed in multiple waves. An overview of each phase and their respective stages (which includes associated tasks, deliverables, and respective Contractor and State responsibilities) is shown within this section. Additionally, milestones and deliverables are detailed in a Responsibility Matrix for each stage. The responsibility for each of these deliverables is shown in the Responsibility Matrix chart following the brief explanation of each deliverable. The term "Accountable" indicates the party ultimately accountable for the deliverable, while "Contributing" indicates the party that has significant involvement to ensure success. Involvement may be in resource time and/or knowledge and information. Each deliverable will have an acceptance form that will be used to confirm acceptance by both the State and the Contractor.

Stage 1: Plan is described in this Scope of Services only once since Stage 1 of Phase I: HR/Payroll and Stage 1 of Phase II: Financials, Procurement, and Logistics will happen concurrently. All subsequent stages and their associated responsibility assignments are described separately within each respective phase.

A.20 Phase I: HR/Payroll and Phase II: Financials, Procurement, and Logistics Concurrently, Stage 1: Plan

The purpose of Stage 1 is to perform initial planning and preparation for the Edison project with respect to the overall implementation effort. Activities during this stage will include:

- Confirming the project goals and objectives for the Statewide Edison Project
- Clarifying the scope of the implementation
- Reviewing/confirming the implementation strategy, and defining the overall project schedule and implementation sequence
- Assisting the State Project Management team in establishing the project organization and governance structure
- Assigning resources based on the needs of the project

A.21.a Stage 1 Project Deliverables:

The milestones and deliverables of this stage, and the associated responsibility for each are described below:

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A.21.a.1 Project Charter: Updates to the existing project charter.

A.21.a.2 Project Team Organization Chart. Pictorial representation of team organization, including members of both the State and Contractor teams. The initial draft of this chart shall be completed in response to RFP Attachment 6.3, Section B.10.

A.21.a.3 Master Project Workplan. The Contractor shall create a Master Project Work Plan that includes all known tasks for the duration of the project, including the critical path time line. The Master Project Work Plan shall reflect the State-approved implementation schedule and shall cover the entire project, including each product development phase. The Master Project Work Plan shall be based on the Plan created in response to RFP Attachment 6.12, Section 6.12.1.3 and updated during the Planning Stage. The Master Project Work Plan shall be reviewed weekly with the State Project Manager and updated throughout the project to reflect current information.

The Master Project Work Plan shall include the following:

- **Work Breakdown Structure.** A work breakdown structure of the major phases of the project, accounting for all tasks, deliverables and milestones shall be provided.
- **Timetables.** The Master Project Work Plan shall provide adequate time for the State to review, provide feedback, and approve all deliverables, revisions, or corrections. A timetable shall be developed for each task, deliverable, and milestone, including estimated start and completion dates, actual start and completion dates, estimated and actual task hours, and completion percentage for all in-process tasks. This includes critical deadlines and milestones for Contractor and State deliverables, including purchase and installation of equipment. The dates arrived at within the Master Project Work Plan must be mutually agreed upon between the State and the Contractor within thirty (30) days of submission of the Master Project Work Plan, with the State having final authority for approval.
- **Resource Loading.** The plan will include assignment of Contractor personnel (including sub-contractor personnel, if applicable) and State personnel by task with estimated hours. The Contractor shall ensure that the schedules of the project staff have been designed to guarantee timely completion of deliverables. A summary of total Contractor and State hours by phase is required.
- **Critical Path.** The Master Project Work Plan shall include a critical path with parallel and dependent project tasks.
- **Assumptions and Constraints.** The Contractor shall identify and document any assumptions or constraints that relate to the approved Master Project Work Plan. The Assumptions and Constraints document used to create the initial submitted Work Plan shall be updated during the Planning Stage and throughout the project to reflect current information.
- **Project Risks.** The Contractor shall document potential project risks that could impact their ability to meet milestone dates in the Master Project Work Plan. The Contractor shall also document procedures for handling of potential and actual problems; this shall also include general plans for dealing with the slippage of critical dates.

The Project Risks document shall be created during Stage 1 Plan and shall be updated throughout the project to reflect current information.

A.21.a.4 Communication Plan. The State realizes the critical importance of effective project communication to provide the links for people, information, and ideas that are essential for project success. To ensure that everyone is prepared to send and receive communication in the most effective manner, a plan for managing project communication is required. The Communication Plan shall define the information and communication needs of the stakeholders, including who needs access to project information, what information is needed, when it will be needed, and how the information will be provided to them.

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The State has responsibility for completion and maintenance of the Communication Plan; however, it is expected that the Contractor will contribute significantly to the Plan's content. The Contractor will provide examples of successful Communication Plans from previous engagements to support the State in creating its Plan.

The Project Team shall utilize the following information for communication planning: project organization, project stakeholder responsibilities and relationships; identification of individuals that will

be involved in the communication process and their locations; external information needs, including the press, governmental agencies, and other interested parties; availability of communication technology; and constraints and assumptions, relating to communication methods or media.

The Communication Plan shall include, but not be limited to, the following:

- Collection structure;
- Distribution structure;
- Description of information to be disseminated;
- Method for updating the communication plan; and
- Schedules listing when information will be produced.

A.21.a.5 Cultural Change Management Plan

- Case for Action (Why the Change is happening)
- Organization & Stakeholder Assessment
- Review of current plans & activities
- Change Management approach (Technical, Business, Human environment)
- High-level Change Strategy to guide activities

The State will lead the cultural change management effort with the assistance of the Contractor. The Contractor must provide one (1) full-time resource that will provide change management leadership and guidance. The State will assume responsibility for leading the change management effort based on direction from this resource.

A.21.a.6 Project Standards and Procedures

Contractor shall draft and submit for approval to the State a set of rules, forms, templates, etc. relating to the project that allows for a common understanding and consistent documentation approach for all documentation generated by project, including presentations, technical documentation, user documentation, memos, bulletins and other documentation that will be viewed external to the project

A.21.a.7 Architecture Design Plan

Contractor shall create, with the input and support of the State, a detailed plan for the technical architecture of the system. This plan will be produced in close partnership with the technical staff of the State, using the technical components specified in the Contractor's response to RFP Attachment 6.11, State Technical and Architectural Standards. This plan shall include:

- A detailed hardware configuration for the system, including types, manufacturers, models, location, and capacities of all hardware components, including servers, routers, disk storage or arrays, peripherals, system printers, etc.
- System operating environment, including special electrical, cooling or facility requirements
- Updated Architectural Diagrams (see RFP Attachment 6.11, Section 6.11.8)
- Database instances (environments) to be maintained (e.g., Configuration/Unit Test, Development/Unit Test, Testing, Parallel Production Test, Training, Training Playground, Project Team Playground, Production, and others as determined by State and Contractor)
- Network and system infrastructure, communication bandwidth and capacity, security, etc.

The Contractor is responsible for establishing and maintaining all of the database instances (environments) shown above during the service period of this contract.

A.21.a.8 Capacity Evaluation Plan. Test documentation generally shall be based on the IEEE Std 829-1998 (or current release). The Capacity Evaluation Plan deliverable is a version of the test plan document described in the standard, but is focused on performance and load testing. It must also account for State technical staff support, participation, and review of the capacity evaluation effort. The Plan shall include the following elements.

1. State the purpose and scope of the plan, including a reference to the (approved) project Test Strategy deliverable.
2. Identify the specific system and network technical components to be evaluated. The evaluation must consider all tiers in the system architecture and the network communications between them. For example, the evaluation could include processor type, speed, and number along with main

- memory capacity and secondary storage capacity (various media types) for each server in each tier; client PC specifications; and minimum WAN bandwidth required to meet performance criteria.
3. Identify the performance characteristics to be evaluated. List the pass/fail criteria for each characteristic. Include any metrics that contribute to the performance characteristics. Define formulas to be used in calculating the performance characteristics and to extrapolate (predict) needed production-scale capacity.
  4. Describe in detail the testing activities to be undertaken. Describe the techniques to be used. Precisely identify any software testing tools to be used by name and version (these must be State standard tools).
  5. List the capacity evaluation tasks, milestones, and target dates based on the project work plan.
  6. Identify any conditions that will cause testing to be suspended. List the criteria for resuming testing.
  7. Define the outline for the Capacity Evaluation Report.
  8. Provide detailed specifics of the test environment including exact locations, ancillary equipment, computers (servers or clients), systems software, and specialized equipment. Include or reference the component specifications. Identify any equipment that must be acquired to complete the test environment.
  9. List and describe the responsibilities that each group involved in the capacity evaluation will have. The groups will include Contractor staff, State technical support staff for servers and the State network, State data resource management staff, and client agency technical staff.
  10. Identify any special training the evaluation team members will need and time frames for obtaining it, and ensure this information is integrated into the Training Plan.
  11. Document any risks, contingencies, and mitigation actions relevant to the Capacity Evaluation Plan.

A.21.a.9 Capacity Evaluation Report. Test documentation generally shall be based on the IEEE Std 829-1998 (or current release). The capacity evaluation report will include features of the test summary report defined in the standard as follows.

1. Summarize the capacity recommendations for the evaluated system and network components.
2. Identify and describe any substantive variances of the actual capacity evaluation effort from the (approved) Capacity Evaluation Plan. Examples of possible substantive variances include test environment equipment specifications, network configuration or load, or in executing test procedures. Provide reasons for the variances and describe their impact on the capacity recommendations.
3. Evaluate the comprehensiveness of the evaluation effort. Identify those test items with lower confidence of accurate capacity recommendations and provide reasons.
4. Provide a detailed discussion for each evaluated component in each tier. Compare the test results and the item level pass/fail criteria. Provide recommendations for production-scale initial capacity and expected growth.

A.21.a.10 Issue Resolution Plan

Documentation of the plan to identify, document, and resolve any project issues that are identified throughout the project.

A.21.a.11 Knowledge Transfer Plan

How the Contractor will transfer expertise to the State project team members throughout the project.

A.21.a.12 Training Plan. The Contractor shall create a comprehensive Training Plan for project team training and for end user training that will be used as the foundation for knowledge transfer and retooling the workforce. The Contractor shall prepare a separate training plan for each type of training (project team, end user). Please refer to Contract Attachment B, Section B.4.2, for more details about estimated number of end users and other training parameters. All training shall be role-based, modular and scaleable in design. The Training Team will consist of Contractor and State personnel. The Contractor is expected to provide at least thirty-five (35) percent of the training development and training delivery resources.

- Modular and Scaleable Classes. The Contractor shall design modular and scaleable training classes to meet the specific needs of each individual who requires training for the Edison System, and the method of training that will provide the most benefit for each business user. The Contractor should assume that training will be delivered to groups of approximately fifteen (15) participants.

- Training Content. The Contractor shall present sufficient overview in each training class to address how that specific training component fits into the larger picture and contributes to a result. The Contractor's training content shall include system workflow and usage training for all types of system users. The Contractor shall emphasize the importance of following standard practices for data entry and other system usage to ensure quality and completeness of data and to achieve maximum system benefits for all users.
- Training Curricula and Materials. The Contractor shall create role-based training curricula that are customized for each unique training class. The Contractor is responsible for developing training materials and curricula in Microsoft Word; these training documents shall be converted to PDF format for electronic presentation to training participants. All training materials and curricula shall be owned by the State. The Contractor is not responsible for making copies of training curricula; this task shall be performed by the State. However, the Contractor shall ensure that all training curricula, plans, and other training materials are current prior to training.

Contractor should also assume that a minimum of four courses will be delivered in a non-classroom setting as Computer Based Training (CBT) or a similar format. The costs to acquire and customize, or design and develop, these courses shall be included in the Contractor's staffing and pricing estimates.

- Training Schedule. In the Training Plan, the Contractor shall schedule training sessions in accordance with the system implementation schedule and the Master Project Work Plan. The Contractor shall prepare a training schedule for all training classes that schedules classes as close as possible to the user's need for the training. The State is responsible for identifying training locations and providing training facilities for training conducted by the Contractor for State business users.
- Training Preparation. The Contractor shall ensure that all procedures, training environment hardware and software configurations, classroom set-up requirements, etc. reflect the most current information for State training.
- Training Assessment. The Contractor shall implement methods to continuously assess and evaluate the training process and to make adjustments, as necessary. Training approach, curricula, methods, procedures, and materials will be changed as necessary to ensure that State participants are receiving the most effective training for the Edison System.
- Project Team Training. The Contractor, as part of its response to this RFP, shall have created a training plan for the State's ERP project team, including recommended classes, schedules and locations (if other than Nashville). Wherever possible, the Contractor will schedule the classes at a State facility in Nashville. Training recommendations will be based on the role and management level that each member of the State project team will hold, as discussed above in Contract Section A.13. All project team training costs, other than travel costs for classes outside of Nashville, will be included in the Contractor's Cost Proposal.
- Business User Training. The Contractor shall partner with State training staff through a train-the-trainer approach to perform training for business users who shall use the Edison System to perform daily job functions. Training shall be structured around the new business user roles that are defined during the Analysis/Design Phase. A business user is defined as a State employee or Contractor hired by the State to perform business functions.

The business user training curricula and materials shall cover, at a minimum, the following topics:

- 1) Edison Overview including: system benefits; data inputs, data outputs, and reports produced; major system business functions; and User Manual contents and usage.
- 2) Edison Usage including: entering data and data validation; data correction and user help features; menu and system function navigation; problem recovery; report contents, report generation; search and inquiry features; and record update procedures.
- 3) Edison Operation including: seeking technical help (application and equipment assistance); all course instructors' and students' classroom materials (e.g. manuals, handouts, etc.).

- Technical Staff Training. The Contractor is responsible for training the State's technical team that will perform development, maintenance and support activities.

- 1) Training Assessment by Technical User Role. The Contractor shall identify technical staff that the Contractor is responsible for training. The Contractor shall assess the training needs of the State's business analysts, systems analysts, DBA's, developers, and operations specialists.
- 2) Technical Training Content. The Contractor is responsible for training the State's technical staff in the State-approved detailed product development methodology for the Edison System and in the use of automated tools that are used to support that methodology for the initial implementation and future maintenance and support of the system. The Contractor shall mentor State technical staff by allowing members of the State technical staff to work in conjunction with Contractor staff to transfer knowledge and build skills that are necessary to promote a successful turnover of future maintenance and support to State technical staff during the Post Implementation Support Phase.
- 3) Technical Training Curricula and Materials. The Technical Staff training curricula and materials shall cover all aspects of system design, operation, and maintenance, including, at a minimum, the contents and usage of the Operations Manual.

A.21.a.13 User Readiness Assessment Matrix/Plan

Identification of end users, assessment of their readiness for the impending change, and documentation of the plan for education and training to bring them to the proper level of readiness for the new Edison system

A.21.a.14 Backup and Recovery Plan. The Contractor shall create a Backup and Recovery Plan during this stage of the Project. To prevent loss of data, the Contractor shall develop and implement backup and recovery procedures. This plan shall include procedures for the periodic copying of data to other media and the process for restoring data to its original or prior form. Tests shall be performed to validate the backup and recovery procedures. The Contractor shall include provision for off-site storage of the Edison application and data. The Contractor shall participate in the State's disaster recovery tests during the Implementation and Post-Implementation Support stages of this Project. The Contractor shall update this plan in subsequent phases, as more information is available.

A.21.a.15 Test Strategy. Test documentation generally shall be based on the IEEE Std 829-1998 (or current release). The Test Strategy deliverable is a high-level version of the test plan document the standard describes. It shall cover the following items.

1. Describe the purpose and scope of the strategy. Include references to related project management documents.
2. Identify the major technical components (hardware and software) that will be tested.
3. Define the goals for test coverage in terms of major functions to be tested.
4. Describe generally the testing activities to be undertaken. (Note that the strategy must cover capacity evaluation.) Identify tools or techniques to be used (software testing tools must be State-standard).
  - a. Unit testing
  - b. Integration testing
  - c. Systems testing
  - d. Capacity evaluation (performance testing)
  - e. Acceptance test (describe the Contractor's activities in assisting the State to perform the acceptance test)
  - f. Test incident (problem) reporting and resolution.
5. List the major testing tasks within each activity identified in item 4, above. List all testing milestones. (The Contractor shall identify internal milestones for its testing effort based on the ~~testing activities and tasks identified.~~)
6. Identify general test pass/fail criteria, if any.
7. Identify any conditions that will cause testing to be suspended. List the criteria for resuming testing.
8. List the testing deliverables including documentation, input data, and test results.
9. Describe the test environment generally. Include general locations and types of equipment needed. Identify all specialized equipment needed (e.g. magnetic stripe card reader).

10. Identify the groups having responsibilities for testing or testing support. These groups may include the developers, testers, operations staff, user representatives, technical support staff, data administration staff, and quality support staff.
11. Identify estimated test team staffing counts by position title.
12. List all anticipated risks and contingencies.

A.21.a.16 Test Management Plan. Test documentation generally shall be based on the IEEE Std 829-1998 (or current release). The Test Management Plan deliverable is a version of the test plan document described in the standard. It may be developed as an enhancement of the Test Strategy deliverable. The Test Management Plan must address all of the Contractor's planned testing activities in detail. It shall cover the following items.

1. State the purpose and scope of the plan, including a reference to the (approved) project Test Strategy deliverable.
2. Document the specific technical components to be tested, including version or release identifications where known.
3. Identify all software features and combinations of software features within the previously listed major functions to be tested.
4. Describe in detail the testing activities to be undertaken. (Note that capacity evaluation has a separate plan at this level.) This section must precisely identify any software testing tools to be used by name and version (these must be State standard tools). The section shall cover:
  - a. Unit testing.
  - b. Integration testing, including external interfaces.
  - c. Systems testing.
  - d. Acceptance test (describe the Contractor's activities in assisting the State to perform the acceptance test).
  - e. Test incident (problem) reporting and resolution.
5. Provide a schedule based on the project work plan for the testing tasks and milestones listed in the (approved) Test Strategy.
6. Define all general test pass/fail criteria listed in the (approved) Test Strategy.
7. Define in detail the test suspension and resumption conditions as listed in the (approved) Test Strategy.
8. Include templates or samples for each piece of test documentation listed in the (approved) Test Strategy. Include record layouts or sample data for input test data.
9. Provide detailed specifics of the test environment including exact locations, ancillary equipment, computers (servers or clients), systems software, and specialized equipment. Include makes and models for equipment. Identify any equipment that must be acquired to complete the test environment.
10. List and describe the responsibilities that each group identified in the (approved) Test Strategy will have.
11. Identify any special training test team members will need and time frames for obtaining it.
12. Document mitigation actions for the risks and contingencies listed in the (approved) Test Strategy.

A.21.a.17 Quality Management Plan. This deliverable shall be based on IEEE Std 730-1998 (or current release). It shall cover the following topics.

1. Purpose and scope of the plan, including identifying related project management documents.
2. Project quality objectives and the metrics needed to assess progress toward those objectives. Each identified metric will be fully defined in terms of:
  - a. Purpose and expected use.
  - b. Definition of data elements used in the metric.
  - c. Collection, calculation, and reporting method, schedule, and responsibility.
3. Standards to be used in the project (these may be references to external documents).
4. Quality control activities (those performed by both the Contractor and State).
- ~~5. Executive-level, milestone or payment point review activities.~~
6. Other quality management activities such as Contractor self-assessments and project defect reporting and resolution processes.

A.21.a.18 Configuration Management Plan. This deliverable shall be based on IEEE Std 828-1998 (or current release). It shall cover the following topics from the standard:

1. Purpose, scope, key terms, and references.

2. Responsibilities and authorities for accomplishing configuration management activities.
3. Relevant configuration management activities to be performed on the project, including:
  - a. Configuration item identification.
  - b. Configuration control (managing changes and releases):
    - i. Procedures for non-code configuration items (e.g., text deliverables).
    - ii. Procedures for promoting software configuration items into testing (integration test, systems test, and acceptance test) environment.
  - c. Status accounting, reviews, and reporting.
  - d. Management of interfaces to other systems and of third-party components.
  - e. Other activities as required based on the scope and complexity of the project.
4. Required coordination of configuration management activities with other project activities.
5. Resources (tools, physical and human) required for operation of the configuration management system.
6. Maintenance of the plan during the project.

The Contractor shall use an automated configuration management tool that is in compliance with State standards.

A.21.a.19 Quality Assessment.

A.21.b Stage 1 Responsibilities.

<b>RESPONSIBILITY MATRIX</b> <b>A=Accountable, C=Contributing</b>	<b>Contractor</b>	<b>State</b>
1 Project Charter	C	A
2 Project Team Organization Chart	C	A
3 Master Project Workplan	A	C
4 Communication Plan	C	A
5 Cultural Change Management Plan	C	A
6 Project Standards and Procedures	A	C
7 Architecture Design Plan	A	C
8 Capacity Evaluation Plan	A	C
9 Capacity Evaluation Report	A	C
10 Issue Resolution Plan	A	C
11 Knowledge Transfer Plan	A	C
12 Training Plan	A	C
13 User Readiness Assessment Matrix/Plan	C	A
14 Backup and Recovery Plan	A	C
15 Test Strategy	A	C
16 Test Management Plan	A	C
17 Quality Management Plan	A	C
18 Configuration Management Plan	A	C
19 Quality Assessment	A	A

Notes for Responsibility Matrix:

- 2 Project Team Organization Chart. State is responsible for establishing the overall team structure with consultation from Contractor. Each party is responsible for staffing their key positions.
- 3 Project Workplan. Contractor will draft the project work plan which will include project tasks, estimated time budgets for each task, as described more fully above. Contractor and State will work together to establish a final project plan including a mutually agreeable division of labor.

- 6 Project Standards and Procedures. Contractor will bring recommended templates for project standards/procedures.
- 10 Issue Resolution Plan. Contractor is responsible for drafting Issue Resolution Plan with input and approval from State.
- 18 Contractor is responsible for maintenance and upgrade of any non-State standard software during the contract period.

A.22 **Phase I: HR/Payroll, Stage 2: Analysis/Design**

The purpose of Stage 2 is to produce the system design, which identifies the details of the new business processes that will be developed, tested, and implemented at the State. During this stage, the Contractor's response to RFP Attachment 6.8, ERP Functional Requirements, will be used as a reference to help develop the new business processes in a series of workshops attended by State subject matter experts. Once the design has been completed and accepted by the State, it will define the new business processes to be implemented and the detailed scope of the implementation.

Major activities that are performed in this stage include:

- Define the scope of software configuration
- Perform a fit-gap analysis
- Revise and finalize the overall project schedule and implementation sequence
- Develop a list and prepare high-level development specifications for custom reports, interfaces, conversions and enhancements
- Conduct business process workshops
- Install the development system

A.22.a **Stage 2 Deliverables:**

The milestones and deliverables of this stage, and the associated responsibility for each are described below:

- A.22.a.1 **ERP Software Installed.** All baseline software as proposed (including any 3<sup>rd</sup> party software proposed and required to meet functional requirements in the RFP) has been properly installed and is functioning as intended. Vendor test suite has been run and verified against installed software.
- A.22.a.2 **System Administration Procedures.** Documentation of all procedures required for proper system operation, including but not limited to: establishment and maintenance of various instances required for the project, back-up and recovery, and database administration.
- A.22.a.3 **HR/Payroll Coding Design.** Development and documentation of all coding structures required for the configuration of all HR and Payroll modules and for meeting state and federal reporting requirements.
- A.22.a.4 **Perform Fit-Gap Analysis.** The Contractor shall perform a fit-gap analysis by comparing the Contractor responses to the Functional Matrix to the baseline ERP software solution. The Contractor shall identify, analyze, and document the requirement gaps. This document shall map, at a detailed level, the extent that the software can meet the State's functional requirements and "to be" business processes. In preparation for presentation and approval from the PSC, the Contractor shall detail each change needed to bring the software package into compliance with the State's requirements and "to be" business processes, and a design solution shall be identified that shall meet the State's needs. For each requirement that requires custom code, the impact in cost and time for this customization during the initial implementation as well as for future upgrades shall be documented. For each requirement that can be met out-of-the-box with little or no configuration required, specific examples of screen shots, database relationships, and workflow processes shall be provided to establish that the requirements can be satisfied. The Fit-Gap Analysis document shall be presented to the PSC for review and approval.
- A.22.a.5 **System Design Document.** The purpose of this task is to create a document that describes the design of the proposed solution and implications for the State's administrative business functions. This

document will communicate the new business solution and expected changes to the organization. The deliverable will include:

- The proposed integrated business processes
- High-level introductory descriptions for each process
- Supporting visual process flow or hierarchical diagrams
- Documentation of all system configuration items to support the business process design

A.22.a.6 Interface Approach Plan. Document which summarizes the requirements for interfaces for State's Edison system within the HR/Payroll business areas.

The Contractor will be responsible for the development and deployment of a set of standard inbound and outbound interfaces for the State to process transactions from and to those State administrative systems not replaced by the new Edison system. The Contractor will also be responsible for developing all temporary interfaces that are needed for the period of time between the time that HR/Payroll goes live and Finance/Procurement/Logistics goes live. Also, depending on the schedule of deployment for Financial/ Procurement/ Logistics functions, the deployment waves for this stage could create the need for temporary interfaces from legacy systems to Edison. These temporary interfaces will be the Contractor's responsibility. Also, the vendor will be responsible for developing two on-line real time interfaces. Standard inbound and outbound Edison interfaces, as well as on-line interfaces include, but are not limited to, the following interface examples:

SOURCE SYSTEM	TARGET SYSTEM	INFORMATION	CONTRACTOR - RESPONSIBILITY	STATE- RESPONSIBILITY	AGENCY- RESPONSIBILITY
Edison (ERP)	STARS	Financial Results of Payroll Run (temporary interface)	Produce an extract from Edison in a format acceptable to STARS	Provide a standard inbound invoice file format	None
Agency System	Edison (ERP)	Single and Multi-Payee Invoice, with capability to update Purchase Order (inbound)	Provide a standard inbound invoice file format.	Assist agency with producing an extract in a format acceptable to Edison	Produce extract from the agency system in a format acceptable to Edison
Agency System	Edison (ERP)	Journal Voucher (inbound)	Provide a standard inbound journal voucher file format.	Assist agency with producing an extract in a format acceptable to Edison	Produce extract from the agency system in a format acceptable to Edison
Agency System	Edison (ERP)	Accounts Receivable (inbound)	Provide a standard inbound accounts receivable file format.	Assist agency with producing an extract in a format acceptable to Edison	Produce extract from the agency system in a format acceptable to Edison
Agency System	Edison (ERP)	Cash Receipt (inbound)	Provide a standard inbound cash receipt file format.	Assist agency with producing an extract in a format acceptable to Edison	Produce extract from the agency system in a format acceptable to Edison

SOURCE SYSTEM	TARGET SYSTEM	INFORMATION	CONTRACTOR – RESPONSIBILITY	STATE– RESPONSIBILITY	AGENCY– RESPONSIBILITY
Edison (ERP)	Agency System	Warrants Issued and Cancelled (outbound)	Produce a warrant extract file from Edison that is similar in structure and format as the file produced by STARS.	Assist agency with any needed file adjustments	Receive extract file from Edison and adjust as needed to accomplish agency purpose.
Edison (ERP)	Agency System	Summary Expenditures and Revenues (outbound)	Produce a summary expenditure and revenue extract file from Edison that is similar in structure and format as the file produced by STARS.	Assist agency with any needed file adjustments	Receive extract file from Edison and adjust as needed to accomplish agency purpose.
Edison (ERP)	Agency System	Fund Balances (outbound)	Produce a fund balance extract file from Edison that is similar in structure and format as the file produced by STARS.	Assist agency with any needed file adjustments	Receive extract file from Edison and adjust as needed to accomplish agency purpose.
Agency System	Edison (ERP)	Payroll Time Entry (inbound)	Provide a standard inbound time entry file format.	Assist agency with producing an extract in a format acceptable to Edison	Produce extract from the agency system in a format acceptable to Edison
Edison (ERP)	Agency System	Payroll Data (outbound)	Produce a payroll extract file from Edison that is similar in structure and format as the file produced by SEIS.	Assist agency with any needed file adjustments	Receive extract file from Edison and adjust as needed to accomplish agency purpose.
Agency System	Edison (ERP)	Retirement deduction (inbound)	Provide real time update to Edison through CRIS	Assist in field format adjustments	Send/receive data in format acceptable to Edison
Agency System	Edison (ERP)	Project expenditure (inbound)	Provide real time update to Edison through PPRM	Assist in field format adjustments	Send/receive data in format acceptable to Edison
Budget Development	Edison ERP	Appropriation Budget / Work Program (Inbound)	Provide a standard inbound budget creation file format.	Assist Office of Budget with producing an extract in a format acceptable to Edison	Produce an extract from the budget system in a format acceptable to Edison

SOURCE SYSTEM	TARGET SYSTEM	INFORMATION	CONTRACTOR – RESPONSIBILITY	STATE – RESPONSIBILITY	AGENCY – RESPONSIBILITY
Edison ERP	Budget Development	Chart of Accounts (COA) including agency, org. code, GL Account, grant, project, fund (outbound)	Produce COA extract file(s) including org. code, GL Account, grant, project, fund.	Assist Office of Budget with using the extract file.	Receive extract file from Edison and adjust as needed to accomplish agency purpose.
Edison ERP	Budget Development	Prior Year Adjusted Budget by COA (outbound)	Produce a standard prior year budget by COA file(s) including org. code, GL Account, grant, project, fund.	Assist Office of Budget with using the extract file.	Receive extract file from Edison and adjust as needed to accomplish agency purpose.
Edison ERP	Budget Development	Current Year Adjusted Budget by COA (outbound)	Provide a standard outbound current year budget filer	Assist Office of Budget with using the extract file.	Receive extract file from Edison and adjust as needed to accomplish agency purpose.
Edison ERP	Budget Development	YTD Actual Expenditures by COA (outbound)	Provide a standard YTD actual expenditure by COA file format	Assist Office of Budget with using the extract file.	Receive extract file from Edison and adjust as needed to accomplish agency purpose.
Edison ERP	Budget Development	Prior Year Actual Expenditures by COA (outbound)	Provide a standard prior year actual expenditure by COA file	Assist Office of Budget with using the extract file.	Receive extract file from Edison and adjust as needed to accomplish agency purpose.
Edison ERP	Budget Development	YTD Actual Revenues by COA (outbound)	Provide a standard YTD actual revenues by COA file	Assist Office of Budget with using the extract file.	Receive extract file from Edison and adjust as needed to accomplish agency purpose.
Edison ERP	Budget Development	Prior Year Actual Revenues by COA (outbound)	Provide a standard prior year actual revenues by COA file	Assist Office of Budget with using the extract file.	Receive extract file from Edison and adjust as needed to accomplish agency purpose.
Edison ERP	Budget Development	YTD Encumbrances by COA (outbound)	Provide a standard YTD actual encumbrances by COA file	Assist Office of Budget with using the extract file.	Receive extract file from Edison and adjust as needed to accomplish agency purpose.
Edison ERP	Budget Development	Prior-year encumbrances by COA (outbound)	Provide a standard prior year actual encumbrances by COA file	Assist Office of Budget with using the extract file.	Receive extract file from Edison and adjust as needed to accomplish agency purpose.

SOURCE SYSTEM	TARGET SYSTEM	INFORMATION	CONTRACTOR - RESPONSIBILITY	STATE- RESPONSIBILITY	AGENCY - RESPONSIBILITY
Edison ERP	Budget Development	YTD Pre-encumbrances by COA (outbound)	Provide a standard YTD actual pre-encumbrances by COA file	Assist Office of Budget with using the extract file.	Receive extract file from Edison and adjust as needed to accomplish agency purpose.
Edison ERP	Budget Development	Prior Year Pre-encumbrances by COA (outbound)	Provide a standard prior year actual pre-encumbrances by COA file	Assist Office of Budget with using the extract file.	Receive extract file from Edison and adjust as needed to accomplish agency purpose.
Edison ERP	Budget Development	Authorized Positions including date established, title and grade by COA (outbound)	Provide a standard position by COA file	Assist Office of Budget with using the extract file.	Receive extract file from Edison and adjust as needed to accomplish agency purpose.
Applicant Services	Edison ERP	New Hire Transactions (inbound)	Provide a standard inbound new hire file format	Produce an new hire extract from the applicant services system in a format acceptable to Edison	None
Applicant Services	Edison ERP	Personnel Records (including skills, experience and training) (inbound)	Provide a standard inbound personnel record file format	Produce personnel extract from the applicant services system in a format acceptable to Edison	None
Edison ERP	Applicant Services	Positions (outbound)	Produce a position file in a format acceptable to the Applicant Services system	Provide a standard inbound position file format	None
Edison ERP	Applicant Services	Personnel Records (including skills, experience and training) (outbound)	Produce an extract from Edison in a format acceptable to the Applicant Services system	Provide a standard inbound personnel record file format	None
Edison ERP	Applicant Services	Class/Comp Schedules (outbound)	Produce an extract from Edison in a format acceptable to the Applicant Services system	Provide a standard inbound class/comp schedule file format	None

SOURCE SYSTEM	TARGET SYSTEM	INFORMATION	CONTRACTOR – RESPONSIBILITY	STATE – RESPONSIBILITY	AGENCY – RESPONSIBILITY
Edison (ERP)	STARS	Benefit Vendor Vouchers and Payments. (temporary interface)	Produce an extract from Edison in a format acceptable to STARS	Provide a standard inbound invoice file format	None
STARS	Edison (ERP)	Chartfield Value Sync. (temporary interface)	Provide a Standard inbound table format.	Provide an extract that will contain new Chartfield values from legacy.	None
STARS	Edison (ERP)	Vendors and Employees Sync. (temporary interface)	Provide a Standard inbound table format for benefit vendors.	Provide an extract that will contain new vendor values from legacy.	None
Edison (ERP)	STARS	Benefit Vendor Vouchers and Payments. (temporary interface)	Produce an extract from Edison in a format acceptable to STARS	Provide a standard inbound invoice file format	None
Edison (ERP)	STARS	Benefits Billing details. (temporary interface)	Produce an extract from Edison in a format acceptable to STARS.	Provide a standard inbound format.	None
Edison (ERP)	Bank	Positive Pay File (outbound)	Produce an extract file from Edison that meets the bank file layout.	Assist with bank contacts and communications.	None

The Contractor shall provide services to the overall interface effort as noted in the table above, which includes (but is not limited to):

- Needs assessment
- Interface design
- Interface development
- Testing
- Development of procedures that support interface operations

~~The Contractor will not be responsible for developing or deploying agency-specific code as part of the~~ standard set of inbound and outbound interfaces. Contractor will be responsible for modifying its standard interface formats to include any required data fields not already appearing in the interface formats. Agencies will be responsible for modifying their current programs to produce files that match the Contractor's standard inbound interface format. The agencies will also develop programs to use the outbound interface.

A.22.a.7 Data Conversion Plan. Addresses the State's planned approach for converting HR and payroll data. The plan shall address the following, at a minimum:

- Data cleansing
- Identification of all conversion tasks
- Schedule of conversion tasks
- Identification of all data sources
- Identification of data elements and/or systems to be converted
- Identification of data needed to populate the system so that the Edison System is a fully functioning system
- Data conversion and load process
- Conversion environments
- Conversion testing
- Identification and tracking of defects
- Roles, responsibilities, and staffing to support conversion
- Conversion overview noting objectives, approach, roles, techniques, testing process, data validation, impact and resources
- Conversion strategy for handling transition period when switching from the old system to the new and the interfaces associated with each
- Conversion process (automated, manual, verification procedures, and acceptance responsibilities)
- Conversion of data into a common format (i.e. XML) prior to the loading into the Edison System
- Conversion support (system resource requirements, policy and hardware)
- Manual conversion system/data cleanup activities
- Manual data entry activities
- Procedure for continually updating Edison data when there are changes to the source systems
- Identification of necessary computer processing workloads
- Identification of and planning for manual support requirements
- Identification of control procedures and evaluation criteria
- Special training for conversion activities
- Any interim file maintenance requirements
- Development of conversion programs (includes specifications, program coding, test plans, and complete testing)
- Backup and recovery of converted data, including methods for returning to legacy state

The Contractor's responsibility for required data conversion activities associated with the project includes the following:

- Confirm statewide, agency-specific and supplier data conversion requirements
- All aspects of creating and populating the production database necessary to move the system into its full production environment;
- Data transfers during the period when the old and new systems are both operating (during year-end close processing or during implementation phasing);
- Establishment of beginning balances in the new fiscal year;
- The conversion of any detailed history or open items necessary to support particular reporting, auditing, or processing objectives;
- Data sources for chart of account data and financial, procurement, human resources and payroll history;
- Expected data volumes;
- Identification of those conversions where automated conversion tools or programming can be used to significantly reduce data conversion labor; and
- Roles, responsibilities and a schedule for the conversion effort.

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In the execution of the conversion plan outlined above, the Contractor will be responsible for developing and testing automated conversion programs to support the commencement of live operations. If correction or cleansing of any of the State-provided data is required, those tasks are the responsibility of the State, although direction from the Contractor may be required. Efforts to be provided by the Contractor shall include, but not be limited to:

- Developing programming specifications

- Coding of conversion programs in accordance with program specifications
- Performing unit and integration testing of the conversion programs
- Converting, at a minimum, the following information:
  - Vendor and related location information (TOPS and STARS);
  - Employee profile information and related compensation information (SEIS, TIS, FLEX);
  - Insurance participants, premiums and contributions (TIS);
  - Account code/classification data (STARS);
  - Commodity classification data (TOPS); and
  - General ledger account balances by fund (STARS).
- Building any crosswalk file structures required to assist the State in developing test scenarios and conducting acceptance testing
- Running the conversion programs and assisting the State with the verification of the converted data in the production environment. The Contractor will lead the data conversion/loading effort. The State will be responsible for verifying the accuracy of the converted/loaded data.

Additionally, the Contractor is responsible for providing a data repository solution for certain legacy HR/Payroll data. Please see the discussion of this system in RFP Attachment 6.12, Section 6.12.4.4.

A.22.a.8 Inventory of Planned Enhancements. A listing of all enhancements to be developed in order of priority, the business justification for each enhancement, potential risk to the project, as well as cost, work plan and staffing impact.

A.22.a.9 Inventory of Planned Custom Reports. A listing of all reports and custom forms to be developed in order of priority, the business justification for each report, potential risk to the project, as well as cost, work plan and staffing impact. Although this list will be comprehensive, the Contractor shall be responsible for the design and development of twenty (20) reports of average level of difficulty and twenty (20) reports of complex level of difficulty in HR/Payroll during the implementation effort. State will be responsible for providing functional design input and signoff for these reports.

In addition, a listing of all ad hoc queries generated within any module from the system requirements and system design sessions will be compiled. The State shall review this list for completeness and clarity. Contractor shall be responsible for assigning estimates of hours to each listed query, which shall represent the number of hours that would be required for a developer to analyze, design, code and unit test the query. Using those estimates, the State shall then designate which queries from the list that the Contractor is responsible for delivering, up to a limit of 2000 hours. The Contractor shall be responsible for delivering these designated ad hoc queries within the scope of this project. The State shall be responsible for executing an acceptance test on the developed query, and shall be responsible for any queries over the 2000 hour limit.

A.22.a.10 Inventory of Workflows and Notifications. The Contractor shall plan on designing, developing, and testing twenty (20) complex workflows and twenty (20) standard workflows. The State will take responsibility for developing additional workflows outside of the twenty complex and twenty standard workflows.

The State would also like to send notifications to end users or customers based on certain business events. Candidate workflows and notifications are listed in the tables below:

WORKFLOW/ELECTRONIC APPROVAL		
AREA	BRIEF DESCRIPTION	HIERARCHY
PURCHASING		
Requisition	Routing based on Document Type, Dollar Amount or Commodity/Service	3 Levels - 1) Requisitioner to Department/Division Head 2) Department or Division Head to Agency Purchasing 3) Agency Purchasing to Central Purchasing

<b>WORKFLOW/ELECTRONIC APPROVAL</b>		
<b>AREA</b>	<b>BRIEF DESCRIPTION</b>	<b>HIERARCHY</b>
Solicitation	Routing based on Document Type, Dollar Amount or Commodity/Service	3 Levels - 1) Agency Purchasing to Agency Head 2) Agency Head to Central Purchasing or Oversight Authority 3) Oversight Authority or Central Purchasing Return to Agency Purchasing
Purchase Order	Routing based on Document Type, Dollar Amount or Commodity/Service	2 Levels - 1) Agency Purchasing to Agency Fiscal Office 2) Agency Fiscal Office to Department Head
<b>PERSONNEL ADMINISTRATION</b>		
Personnel Action Approvals	Routing based on Organizational Unit and Transaction Type	2 Levels - 1) Agency field office to Agency Central Personnel Office, 2) Agency Central Personnel Office to the Department of Personnel
Employee Suggestions	Routing based on Type of Suggestion	3 Levels - 1) Department of Personnel to Agency, 2) Agency to Department of Personnel, 3) Department of Personnel to Review Panel
Freeze Exemption	Routing based on Transaction Type	2 Levels - 1) Agency field office to Agency Central Personnel Office, 2) Agency Central Personnel Office to the Department of Personnel
Performance Evaluation	Routing based on Organizational Unit	4 Levels - 1) Reviewer, 2) Supervisor, 3) Employee, 4) Appointing Authority
<b>PAYROLL</b>		
New Hire Approval extension of Personnel Action Approval above	Routing based on transaction type	1 Level - 1) Agency Payroll Officer
Additional Payments	Routing based on transaction type	3 Levels - 1) Agency Personnel or Payroll Officer to Agency Fiscal Director 2) Agency Fiscal Director to Department/Division Head 3) Department of Division Head to Personnel if additional pay, or Payroll if fringe benefit
Separating Employee with lump sum leave payment	Routing based on transaction type	5 Levels - 1) timesheet entry to timesheet approver (timekeeping module) 2) Agency Personnel and Payroll Officers to Agency Fiscal Director 3) Agency Fiscal Director to Dept/Division Head 4) Dept/Division Head to Dept of Personnel 5) Deceased employees - Department of Personnel to Payroll and Statewide Accounting
Simulation of Payroll	Routing based on transaction type	1 Level - 1) Agency Payroll Officer
<b>CLASSIFICATION &amp; COMPENSATION</b>		
Routing Package Process for Class Changes	Routing based upon organization unit within DOP	1 level - 1) Class/Comp to Technical Services, Applicant Services, and Examinations Division
Position Actions	Routing based upon organizational unit	3 Levels - 1) Agency personnel to Agency management 2) Agency Management to Budget 3) Budget to Class/comp
Classification Actions	Routing based upon organizational unit and class code (career service classes)	3 Levels - 1) Agency personnel to Agency management 2) Agency Management to Budget 3) Budget to Class/comp
<b>TIMEKEEPING &amp; LEAVE ACCOUNTING</b>		
Leave and Overtime Request	Routing based on Organizational Unit	2 Levels - 1) Employee, 2) Supervisor
Time Approval	Routing based on Organizational Unit	3 Levels - 1) Employee, 2) Timekeeper, 3) Supervisor
Time and Attendance Adjustments	Routing based on Transaction Type	2 Levels - 1) Agency field office to Agency Central Personnel Office, 2) Agency Central Personnel Office to Department of Personnel
Sick Leave Bank Enrollment	Routing based on Transaction Type	1 Level - 1) Employee to Department of Personnel

<b>WORKFLOW/ELECTRONIC APPROVAL</b>		
<b>AREA</b>	<b>BRIEF DESCRIPTION</b>	<b>HIERARCHY</b>
Sick Leave Bank Withdrawal	Routing based on Transaction Type	1 Level - 1) Employee to Department of Personnel
Sick Leave Transfer Request	Routing based on Transaction Type	1 Level - 1) Employee to Department of Personnel
<b>TRAINING &amp; EMPLOYEE DEVELOPMENT</b>		
Training Registration	Routing to notify appropriate individuals	2 Levels - 1) Employee to Supervisor 2) Supervisor to Training Coordinator
<b>ACCOUNTS PAYABLE</b>		
Invoice- PO	Routing based upon organizational unit	1 Agency personnel 2) agency Accounts Payable 3)Accounts
Invoice- non-PO	Routing based upon organizational unit	1 Agency personnel 2) agency Accounts Payable 3)Accounts
Wires	Routing based upon organizational unit	1 Agency personnel 2) agency Accounts Payable 3)Accounts
Vendor Maintenance	Routing based upon fields selected upon registration through self service i.e. purchasing, diversity, TDOT, contracting	1) vendor 2) purchasing 3) diversity 4) TDOT 5) OCR 6) Accounts
<b>ACCOUNTS RECEIVABLE</b>		
Deposits	Routing based upon organizational unit	1) Agency depositor 2) Treasury 3) Accounts
<b>TRAVEL</b>		
Travel	Routing for approval based upon organizational assignment and organization unit	1 Agency personnel 2) agency management 3)Accounts
<b>GENERAL LEDGER</b>		
Chart of Accounts	Routing for chart of account change	1) Agency requestor 2) Budget Approval 3) Accounts approval
JV - Intra departmental	Routing for approval based upon organizational assignment and organization unit	
JV- Inter departmental	Routing based upon organizational unit	
<b>PROJECT MANAGEMENT</b>		
Project Management	Project Mgt workflows based upon draft processes from Real Property Administration:	1) Submitter 2)Project Approver 3) Funding approval
Project Planning	Project planning which includes assigning resources and scheduling tasks. Routing will be by phases of a project and assignments	!) Project manager 2) party responsible for dispatching work and documenting progress
Design phase	Design approval	Design submitter 2) Design approval
<b>ASSET MANAGEMENT</b>		
Acquisition of Real Property	Routing based on asset type, and role	2 Levels - 1) Agency Acquiring Asset to Oversight Authority 2) Oversight Authority to F&A Accounts
Transfer	Routing based on organization unit/agency and asset type	3 Levels - 1) Agency Transferring Asset to Agency Receiving Asset 2) Agency Receiving Asset to Central Asset Management 3) Oversight authority as needed.
<b>PLANT MAINTENANCE AND FLEET MANAGEMENT</b>		
Work Orders	Routing based on request type, resources, dollar, and role	3 Levels - 1) Agency Requesting Service to Maintenance Division 2) Maintenance Division to Staff Performing Work 3) Staff Performing Work to Agency Requesting Service-Work Complete

NOTIFICATIONS		
Circumstance	Volume/Month	Current Notification
Travel Reimbursement Approval	2400	Yes, for pilot users of TRIPS
Travel Reimbursement Paid	2400	Yes, Letter
Payroll payment Notification	100,000	Yes, direct deposit advice
Direct Deposit Addition or Change	1,000	Yes, Letter
Involuntary payroll deductions such as liens	800	Partial, letter
Confirmation of personal data changes	2,000	No
Training for Classes		Quarterly by payroll stub insert
Acceptance to training class	700	No
Reminder to class	700	No
Request for Interview	Not known	
Notification of Scores	Not known	
PCQ (Position Classification Questionnaire)	260	Phone or email
Class Actions	14	Phone or email
Insurance Notification (all)	3500	Yes, letter
Flex Benefits Approved	450	Yes, Letter
Change to Flex Expenditure Accounts	450	Yes, letter
Flex money remaining at year end	500	Yes, letter
Flex Claims Statements	450	Yes, letter
Dependent Losing Eligibility	1500	Yes, letter
Vendor notification of payments	30,000	Yes, remittance advise
Vendor self service (address changes, etc)	5,000	No
Application processing request	8,000	Yes, letter
Employee Request for Insurance Pending	Not known	No
Employee Request for Insurance Additional Information Needed	Not known	No
Employee Request for Insurance Approved/Denied	Not known	No
Retroactive Transaction Pending	Not known	No
Retroactive Transaction Need Additional Information	Not known	No
Retroactive Transaction Approved/Denied	Not known	No
Retroactive Refund Amount Approved/Denied	Not known	No
Request for Flex Expenditure Reimbursements Received	Not known	No
Request for Flex Expenditure Reimbursements Additional Info	Not known	No
Request for Flex Expenditure Reimbursements Approved/Denied	Not known	No
Personnel Employee Transaction Approval	3,000	No
Freeze Exemption Approval	Not known	Yes, email
Performance Evaluation Due (Interim Reviews and Final Evaluation)	10,000	No
Employee Suggestion Response	15	Yes, Letter
Sick Leave Transfer Approval	15	No
Sick Leave Bank Enrollment	150	No
Sick Leave Bank Reassessment Notice	200	Yes, Letter
Sick Leave Bank Withdrawal Approval	50	No
Leave or Overtime Request Approval	Not known	No

NOTIFICATIONS		
Circumstance	Volume/Month	Current Notification
Time Entry Approval	80,000	No
Time and Attendance Adjustment Approval	400	No

A.22.a.11 Training Analysis, Design and Prototype. Refinement of the Training Plan based on the new system design being developed during this phase. Additionally, the training curriculum will be finalized and a prototype of each type of training material, and job aid will be developed at this time.

A.22.a.12 Cultural Change Management Deliverables.

A.22.a.12.1 Leadership Alignment workshops (half-day workshops, as required) Will be presented to discuss the business case that supports the project, project governance structure, project status, and significant areas of change that will impact the user agencies.

A.22.a.12.2 Stakeholder Management

- Confirm Stakeholders/Stakeholder Groups
- Assess the business process impact on each Stakeholder group
- Design Stakeholder Engagement/Influence Plans

A.22.a.12.3 Business Readiness

- Identify Business Readiness Teams
- Design Business Readiness Planning Process

A.22.a.13 Security Plan. The Contractor shall create a detailed Security Plan describing how the Edison application security features shall be integrated with existing network user log-in ids to provide the security requirements found in Contract Attachment B and Contract Attachment 6.11. Recommended levels of security, limitations of capabilities, and required rules shall be provided. The format and content of security tables shall be included, as well as the recommended starting phase for establishing security profiles.

A.22.b Stage 2 Responsibilities.

RESPONSIBILITY MATRIX A=Accountable, C=Contributing	Contractor	State
1 ERP Software Installed	A	C
2 System Administration Procedures	C	A
3 HR/Payroll Coding Design	C	A
4 Perform Fit-Gap Analysis	A	C
5 System Design Document	A	C
6 Interface Approach Plan	A	C
7 Data Conversion Plan	A	C
8 Inventory of Enhancements	A	C
9 Inventory of Reports	A	C
10 Inventory of Workflows and Notifications	A	C
11 Training Analysis, Design and Prototype	A	C
12 Cultural Change Management deliverables		
12.1 Leadership Alignment workshops	A	C
12.2 Stakeholder Management deliverables	A	C
12.3 Business Readiness deliverables	A	C
13 Security Plan	A	C

Notes for Responsibility Matrix:

- 1 ERP Software Installed. Contractor and State personnel will jointly install product. Contractor will take lead in this effort with significant assistance from State. State will ensure prerequisite technical environment is established and ready for the installation. Contractor will provide guidance on the prerequisite technical environment.
- 2 System Administration Procedures. Contractor will provide recommended approach for system administration procedures. State will be responsible for incorporating these procedures into their own standard procedures.
- 3 HR/Payroll Coding Design. Contractor will assist State in definition of required coding structures. State will be responsible for finalizing and approving.
- 5 System Design Document. Contractor will take the lead in drafting and assembling the System Design deliverable. State will be responsible for providing functional input/guidance and assistance needed in completing the design. State has final responsibility for design review and signoff. State is responsible to making sure appropriate business personnel are available and participate during Business Process workshops.

A.23 **Phase I: HR/Payroll, Stage 3: Construction**

The purpose of Stage 3 is to develop a system that is capable of executing the business processes that are identified in the System Design.

During this stage, the State and Contractor will develop and execute a stress and volume test. Working in close partnership with State, Contractor will configure and implement the application's role-based security and authorizations strategy for the end users. Contractor will assist the State in mapping the legacy data, and will begin to test the various interfaces to the State's legacy systems. The State Project Team will also receive a significant amount of training and system knowledge during this stage. The System Design will provide the detailed scope for these efforts.

The Contractor shall provide a Development Manager and an Interface Technical Resource. The Development Manager will oversee and direct interface, report, conversion, workflow and modification development efforts. The Interface Technical Resource will provide technical support and mentoring to the State's interface development team. Additionally the Interface Technical Resource will assist the state in successfully creating and testing all required interfaces.

A.23.a **Stage 3 Deliverables**

The milestones and deliverables of this stage, and the associated responsibility for each are described below:

A.23.a.1 **Designed and Developed software.**

- Interfaces
- Reports
- Conversion Programs (as well as manual conversion procedures as appropriate)
- Enhancements
- Workflows

A.23.a.2 **Production and Training Environments established.** The technical environments that support both end user training and production use have been properly established and are functioning as planned.

A.23.a.3 **Development of User Documentation and Training Materials.** The Contractor will be responsible for providing technical and user documentation for the system. This documentation will be both hard copy and, where appropriate, incorporated into the system's online help facility.

A.23.a.4 **Cultural Change Management Deliverables.**

- A.23.a.4.1 Communication Plan and Coaching
- A.23.a.4.2 Stakeholder Management

- A.23.a.4.3 Business Readiness
  - Business readiness teams briefed (conducted kick-off)
  - Team facilitation (as needed)
- A.23.a.4.4 Organizational Alignment
  - Issues of organizational alignment (raised by business readiness teams)
  - Developed solution (re-alignment impacts to roles and support processes) to respond to changed processes

A.23.a.5 Quality Assessment.

A.23.b Stage 3 Responsibilities.

<b>RESPONSIBILITY MATRIX</b>		<b>Contractor</b>	<b>State</b>
<b>A=Accountable, C=Contributing</b>			
1	Designed and Developed software		
	Interfaces	C	A
	Reports	A	C
	Conversion programs and/or procedures	A	C
	Enhancements	A	C
	Workflows	A	C
2	Production and Training Environments established	C	A
3	Development of User Documentation and Training Materials	A	C
4	Cultural Change Management Deliverables		
	4.1 Communication Plan	A	C
	4.2 Stakeholder Action Plans	A	C
	4.3 Business Readiness Deliverables	A	C
	4.4 Organization Alignment Deliverables	C	A
5	Quality Assessments	A	C

Notes for Responsibility Matrix:

- 1 Designed and Developed software - Reports/Enhancements. Contractor will design and develop fifteen (15) reports of average level of difficulty and fifteen (15) reports of complex level of difficulty during the implementation effort. State will be responsible for providing functional design input and signoff for these reports. Additionally, State will allocate technical resources to learn Contractor programming techniques for future reporting needs. Contractor and State will each have primary responsibility for their respective work units (e.g. reports, enhancements, etc).
- 2 Production and Training Environments established. Contractor and State personnel will jointly establish environments. State will lead this effort with significant assistance from Contractor. State will ensure prerequisite technical environments are established and ready for the installation. Contractor will provide guidance on the prerequisite technical environments.
- 4.4 Organization Alignment Deliverables. State will lead the development of business process realignment since State will best understand how to navigate business process impacts for the organization.

A.24 Phase I: HR/Payroll, Stage 4: Test and Train.

The purpose of Stage 4 is to properly test the newly-configured system and to train end users on the software.

A.24.a Stage 4 Deliverables.

The milestones and deliverables of this stage, and the associated responsibility for each are described below:

A.24.a.1 Detailed Test Plan. The Contractor shall develop a Detailed Test Plan that addresses all testing tasks in detail, including the following:

A.24.a.1.1 Unit Test Plan. The Contractor shall create a Unit Test Plan which reflects both positive and negative aspects of each option or condition within the module code. The Unit Test Plan shall be updated throughout the project.

At the State's request, the Contractor must be prepared to replicate any or all Unit tests using the State's testing environment, including the State's Wide Area Network. The Contractor must be prepared to provide the State with the test scenarios and data the Contractor used during its own Unit Tests. In addition, the results of the Unit tests shall be available for State inspection at any time through a link provided from the project web site to the automated test tool.

A.24.a.1.2 System and Integration Test Plan. Test documentation generally shall be based on the IEEE Std 829-1998 (or current release). The Integration Test Plan and System Test Plan deliverables will incorporate the following features from the test specification document types in the standard.

1. A test design specification will be developed for each logical grouping (based on the system design) of system components to be tested (e.g., each interface or each major system function such as a month-end close process).
  - a. Identify the feature to be tested, including references to requirements or design specifications.
  - b. Define the test pass/fail criteria.
2. One or more test cases will be developed for each test design specification.
  - a. Test case conditions
  - b. Input specifications
  - c. Output (result) specifications
  - d. Dependencies
3. A test procedure will be developed for each test design specification. More than one procedure may be needed in some cases such as testing an exception or correction process for the main process. Each procedure will include the following steps. Other steps as defined in the standard may be needed in some cases.
  - a. Set-up (pre-conditions)
  - b. Start (initiate the test execution)
  - c. Proceed (steps to perform the test)
  - d. Stop (bring the test to a well-defined conclusion)
  - e. Wrap-up (restore the test environment)

A.24.a.1.3 Payroll Processing. The Contractor shall create a Test Plan that describes the Contractor's and State's roles in performing parallel testing of payroll processing, including establishing and populating the Parallel Test Production environment.

A.24.a.1.4 Acceptance Test Plan. The Contractor shall contribute to a User Acceptance Test Plan for which the State has accountability. The Contractor's contributions shall be to describe how they would accomplish the Contractor's supporting tasks, including resources to be included in the project work plan. These tasks are specified in the RFP's sections related to specific levels of testing.

The Contractor shall provide documentation of the acceptance test environment hardware, software, and network configuration in detail to support troubleshooting, recovery in case of damage, and configuration of the production system. The configuration documentation must be kept current, but a history must also be provided to support backing out ineffective configuration changes.

~~The Contractor shall contribute the above information at each time the Acceptance Test Plan is updated throughout the life of the project. State approval of the Contractor's work related to the acceptance test environment is required before training classes for user acceptance testers are scheduled.~~

A.24.a.1.5 The Contractor shall use the State-standard automated software testing tool, as defined in the Tennessee Information Resources Architecture.

A.24.a.2 Unit Testing Complete

1. Test documentation generally shall be based on the IEEE Std 829-1998 (or current release). The standard defines a test results log. The State further expects detailed results to be available to validate the accuracy of the log.
2. Unit test results shall include the following items (results may be stored in electronic form):
  - a. Name and version of the unit (module) under test
  - b. Test date and time
  - c. Condition(s) tested and associated result(s)

A.24.a.3 System / Integration Testing Complete

1. Test documentation generally shall be based on the IEEE Std 829-1998 (or current release). The standard defines a test results log. The State further expects detailed results to be available to validate the accuracy of the log.
2. Integration test results shall include the following items (results may be stored in electronic form):
  - a. Reference to the integration test plan test case/scenario executed and identification of the system components/modules under test.
  - b. Date and time of test
  - c. Detailed test results including print of data before and after test run
3. System test results shall include the following items (results may be stored in electronic form):
  - d. Reference to the system test plan test case/scenario executed
  - e. Date and time of test
  - f. Detailed test results including print of data before and after test run

A.24.a.4 Acceptance Testing Complete. This is a milestone date in which it is mutually agreed to between the State and the Contractor that all acceptance test activities have been satisfactorily completed in accordance with the Contract, the results of said testing are deemed acceptable to the State, and outstanding issues that result from the testing have been resolved or a plan satisfactory to the State has been put in place for the timely resolution of said issues.

A.24.a.5 Payroll Parallel Testing Complete. This is a milestone date in which it is mutually agreed to between the State and the Contractor that all payroll parallel test activities have been satisfactorily completed in accordance with the Contract, the results of said testing are deemed acceptable to the State, and outstanding issues that result from the testing have been resolved or a plan satisfactory to the State has been put in place for the timely resolution of said issues.

A.24.a.6 Training Deliverables.

A.24.a.6.1 End User Training Materials. This is a milestone date in which it is mutually agreed to between the State and the Contractor that all End User Training Materials have been satisfactorily completed and approved for use by the State in accordance with the Contract.

A.24.a.6.2 Train-the-Trainer Workshops. This is a milestone date in which it is mutually agreed to between the State and the Contractor that all Train-the-Trainer Workshops have been satisfactorily completed in accordance with the Contract.

A.24.a.6.3 Completed End User Training. This is a milestone date in which it is mutually agreed to between the State and the Contractor that all End User Training has been satisfactorily completed in accordance with the Contract.

A.24.a.7 Communication Plan Deployed. This is a milestone date which is mutually agreed to between the State and the Contractor in which all components of the Communication Plan as developed in Stage 1 and maintained for the project duration have been satisfactorily addressed within the prescribed time periods as defined in the Communications Plan.

~~A.24.a.8 Help Desk Established. This is a milestone date in which is mutually agreed to between the State and the Contractor that the Help Desk has been properly established and is operating in a satisfactory manner in supporting Stage 4: Test and Train. The Help Desk is also prepared to support the productional system environment as well.~~

A.24.a.9 Agency Implementation Guide ("Cookbook"). The contractor shall create an agency implementation guide that will assist agencies in transitioning to the new system. At a minimum the guide shall contain the following information.

- 1 Functional Help Desk Phone Number
- 2 Technical Help Desk Phone Numbers
- 3 Instructions on interfacing to or obtaining a file from the new system
- 4 Transaction Quick Reference Guides
- 5 Important Dates
- 6 Key Tips and Tricks

A.24.a.10 Application Release Notes. Test documentation generally shall be based on the IEEE Std 829-1998 (or current release). The Application Release Notes deliverable is based on the Test Item Transmittal Report described in the standard. The Contractor must provide this deliverable to the State with each software release submitted for State acceptance testing. The deliverable will document the following items.

1. Planned release date.
2. Release/revision number of the software/system.
3. Features/functions added.
4. Features/functions removed (if applicable).
5. Defects fixed (by defect ID).
6. Modules included in the release (by name and version number; indicate changed or new modules).

A.24.a.11 Quality Assessment.

A.24.b Stage 4 Responsibilities.

<b>RESPONSIBILITY MATRIX</b> <b>A=Accountable, C=Contributing</b>		<b>Contractor</b>	<b>State</b>
1	Detailed Test Plan	A	C
2	Unit Testing Complete	A	C
3	System / Integration Testing Complete	A	C
4	Acceptance Testing Complete	C	A
5	Payroll Parallel Testing Complete	C	A
6	Training Deliverables		
	6.1 End User Training Materials	A	C
	6.2 Completed End User Training	A	C
	6.3 Train-the-Trainer Workshops	A	C
7	Deployed Communication Plan	C	A
8	Help Desk Established	C	A
9	Agency Implementation Guide	A	C
10	Application Release Notes	A	C
11	Quality Assessments	A	A

Notes for Responsibility Matrix:

1 Tested software – Reports/Enhancements. State is responsible for testing and signing off developed software. Contractor is responsible for correcting any issues identified during testing (for their components) that did not comply with the State signed off design specifications.

2 Unit Tested Transactions. Contractor is responsible for the unit test of transactions and issue resolution. State is responsible for final user test and signoff of transactions.

A.25 Phase I: HR/Payroll, Stage 5: Go Live.

The purpose of Stage 5 is to finalize the preparation of the applicable modules of the Edison system before the cutover date, including system management and cutover activities. The cutover date is defined as the first day that the State begins to use the new system as its primary means for conducting State business.

A.25.a Stage 5 Deliverables.

The milestones and deliverables of this stage, and the associated responsibility for each are described below:

A.25.a.1 Completed Production System Test (includes stress and volume test). This is a milestone date in which it is mutually agreed to between the State and the Contractor that all production system test activities, including stress and volume tests, have been satisfactorily completed in accordance with the Contract, the results of said testing are deemed acceptable to the State, and outstanding issues that result from the testing have been resolved or a plan satisfactory to the State has been put in place for the timely resolution of said issues.

A.25.a.2 Production Cutover Plan Developed (Go-Live Plan). Contractor shall provide project resources to assist in the deployment of the system to the agencies. This deliverable documents all steps required to make a successful cutover to the production environment, including specific cutover tasks, planned and actual dates for tasks completed, task responsibilities, task dependencies, estimated work effort required to complete each task, task status, results of task completion, and party sign-off for each task completed.

A.25.a.3 Final Conversion of Data Required for Production. This is a milestone date in which it is mutually agreed to between the State and the Contractor that all data conversion activities required for

productional use of the system have been satisfactorily completed in accordance with the Data Conversion Plan, the results of data conversion activities are deemed acceptable to the State, and outstanding issues that result from the data conversion activities have been resolved or a plan satisfactory to the State has been put in place for the timely resolution of said issues without impairing the Go-Live date.

A.25.a.4 Disaster Recovery Plan. The Contractor shall deliver a Disaster Recovery Plan thirty (30) calendar days before the system is implemented and maintain the plan throughout the life of the contract. The plan must address recovery of business functions, business units, business processes, human resources, and the technology infrastructure. The Contractor shall continually review the Disaster Recovery Plan and make necessary updates to the plan at least annually to ensure the plan always contains accurate and up-to-date information. Additionally, the Contractor will participate in the disaster recovery test, as directed by the State.

The plan shall include, but not be limited to:

- a) Checkpoint/restart capabilities.
- b) Description of data file and backup retention.
- c) Location of procedure manuals, documentation and jobstream for Edison operations.
- d) Backup procedures for all keying operations.
- e) Backup procedures for all other manual operations in the event of a computer or telecommunications outage or a disaster at any of the State offices.
- f) Backup procedures for online processing.
- g) Recovery procedures for loss of manual files and hardcopy documents.
- h) Annual test of the disaster recovery plan.

A.25.a.5 Completed Cutover Testing (begin Go-Live). This is a milestone date in which it is mutually agreed to between the State and the Contractor that all production cutover activities have been satisfactorily executed, and outstanding issues that result from the testing have been resolved or a plan satisfactory to the State has been put in place for the timely resolution of said issues.

A.25.a.6 Finalized Implementation Contingency Plan. This management plan identifies alternative strategies/approaches to be used to ensure project success in transitioning to the productional system if specified tasks in the cutover plan cannot be completed as planned or other risk events occur.

A.25.a.7 Go-Live Decision. This is a formal decision mutually agreed to between the State and the Contractor that all production cutover activities have been or will be satisfactorily completed in a manner that allows for a proper cutover to and operation of the production system.

A.25.a.8 Production Support Organization Defined. This will define the Edison functional and technical support organization for the first twelve (12) months. The State can/will certainly refine this organization once in production.

A.25.a.9 Production System Live. This is a milestone date in which State agencies begin utilizing the production system in accordance with the Deployment Plan and the new system becomes the statewide system of record for its user agencies.

A.25.a.10 Quality Assessment.

A.25.b Stage 5 Responsibilities.

<b>RESPONSIBILITY MATRIX</b>		<b>Contractor</b>	<b>State</b>
<b>A=Accountable, C=Contributing</b>			
1	Completed Production System Test	A	C
2	Production Cutover Plan Developed	A	C
3	Final Conversion of Data Required for Production	A	C
4	Disaster Recovery Plan	A	C

<b>RESPONSIBILITY MATRIX</b>		
<b>A=Accountable, C=Contributing</b>		
	<b>Contractor</b>	<b>State</b>
5 Completed Cutover Testing (begin go-live)	C	A
6 Finalized Implementation Contingency Plan	C	A
7 Go-Live Decision	C	A
8 Production Support Organization Defined	C	A
9 Production System Live	A	A
10 Quality Assessment	A	C

Notes for Responsibility Matrix:

6 Finalized Implementation Contingency Plan. Contractor and State will work together to develop a contingency plan for transition to production mode. Contractor will provide recommendations and input while State will finalize and approve.

**A.26 Phase I: HR/Payroll, Stage 6: Post Go-Live Support.**

Following the first few days of live operation, monitoring issues for the long term must be addressed, particularly with reference to system performance, capacity and functions. Additionally, the State will be moving from a pre-production environment to a live production operation, so the Production Support Organization must be fully operational. State will be responsible for monitoring system transactions and providing feedback to the Project Team in order to optimize overall Edison System performance.

A key component of the Production Support Organization is the Help Desk. The purpose of the Help Desk is to field end user questions, and assist them when they encounter problems with the Edison System. It will also escalate problems that cannot be resolved by Help Desk staff to the Production Support Organization.

The Contractor shall provide post-implementation support for a period of six months after each module is moved into production status during Phase I. This post-implementation support shall consist of technical, functional, and operational support and shall be provided by skilled personnel familiar with the State operations who were associated with the Edison implementation. In addition, the Contractor shall provide at least three months of support at the first calendar year end for human resources/payroll year-end tasks such as creation of W-2s.

**A.26.a Stage 6 Deliverables.**

The milestones and deliverables for this stage, and the associated responsibility for each, are described below:

A.26.a.1 Post-Production Support Plan. Will focus on the first 3 months of initial production stability, and will be refined for subsequent months.

A.26.a.2 Production Support Organization is Operational. By this milestone date, the Contractor's plan for knowledge transfer to State staff for HR/Payroll modules has been fully realized and State is prepared for normal production support activities, including training on all maintenance and configuration tasks necessary in support of system production. This is a milestone date in which it is mutually agreed to between the State and the Contractor that the post-production support organization is operating in a satisfactory manner in supporting the Productional System.

A.26.a.3 Help Desk is Operational. Contractor shall assist in the design and establishment of a centralized Help Desk facility. This is a milestone date in which it is mutually agreed to between the State and the Contractor that the Help Desk is operating in a satisfactory manner in supporting the Productional System.

A.26.a.4 Accepted Production System. During the first ninety (90) days of production, the Contractor will work with the State to confirm that the system is performing as prescribed and configured in previous stages. Acceptance criterion will consist of a checklist that the State will use to confirm that each business area is working properly.

A.26.a.5 Final Conversion of Legacy Data. As part of Stage 5, the Contractor converted data that was required for the production system. The data that was not critical for the production system, but must be converted so that the State's legacy systems can be retired on schedule, will be converted post-production.

A.26.a.6 State Participation in Software User Groups. The State recognizes the value and importance of participation in software user groups that are focused regionally and/or on government specifically. Contractor shall facilitate the State's involvement in the appropriate software user groups with other state government clients. If the user groups do not already exist, Contractor shall take the lead, with the State's support, of organizing the group. Contractor shall schedule and coordinate a meeting of the group at the State's site and is responsible for creating the meeting agenda. The Contractor will not be a participant in the meeting except at the request of the State. While on-site, Contractor shall then support ongoing quarterly meetings with agendas and coordination.

A.26.a.7 Calendar Year End Support. During the first calendar year end, the Contractor will assist with all relevant processing including but not limited to W-2 production. The contractor will produce a year-end guide that will be used by the State for subsequent year-end operations.

Deliverables for this activity include:

- Prepare year end close check list that identifies all tasks (system and non-system related) for a successful year end close
- Identify key dates
- Lead Year End Close testing, including simulating system close as many times as needed in the test environment
- Delivery of Year End Close procedure book
- Listing of key control reports including report purpose and use
- Provide on-site support during actual year end process
- Completion of the Year End Close Checklist. The State must review and accept this checklist before this step will be considered complete.

A.26.a.8 Quality Assessment.

A.26.b Stage 6 Responsibilities.

<b>RESPONSIBILITY MATRIX</b> <b>A=Accountable, C=Contributing</b>	<b>Contractor</b>	<b>State</b>
1 Post-Production Support Plan	C	A
2 Production Support Organization is Operational	C	A
3 Help Desk is Operational	C	A
4 Accepted Production System	A	C
5 Final Conversion of Legacy Data	A	C
6 State Participation in Software User Groups	A	C
7 Calendar Year End Support	A	C
8 Quality Assessments	A	C

Notes for Responsibility Matrix:

1 Post-Production Support Plan. Contractor will offer recommendations on how to prepare for supporting the production applications. State will tailor as appropriate and finalize/approve.

4 Accepted Production System. Contractor will have primary responsibility for facilitating system acceptance. The State will dedicate the appropriate resources to review the System Acceptance Checklist to confirm the software is working appropriately.

A.27 Phase II: Financials, Procurement, and Logistics, Stage 2: Analysis/Design.

The purpose of Stage 2 is to produce the system design, which identifies the details of the new business processes that will be developed, tested, and implemented at the State. During this stage, the Contractor's response to the Functional Requirements Matrices will be used as a reference to help develop the new business processes in a series of workshops attended by State subject matter experts. Once the design has been completed and accepted by the State, it will define the new business processes to be implemented and the detailed scope of the implementation.

Major activities that are performed in this stage include:

- Define the scope of software configuration
- Revise and finalize the overall project schedule and implementation sequence
- Develop a list and prepare high-level development specifications for custom reports, interfaces, conversions and enhancements
- Conduct business process workshops
- Install the development system

A.27.a Stage 2 Deliverables.

The milestones and deliverables of this stage, and the associated responsibility for each are described below:

- A.27.a.1 ERP Software Installed. All baseline software as proposed (including any 3<sup>rd</sup> party software proposed and required to meet functional requirements in the RFP) has been properly installed and is functioning as intended. Vendor test suite has been run and verified against installed software.
- A.27.a.2 System Administration Procedures. Documentation of all procedures required for proper system operation, including but not limited to: establishment and maintenance of various instances required for the project, back-up and recovery, and database administration.
- A.27.a.3 Coding Block Design and Other Required Coding. Development and documentation of all coding structures required for the configuration of all Financial, Budgeting, Procurement and Logistics modules and for meeting state and federal reporting requirements.
- A.27.a.4 Perform Fit-Gap Analysis. The Contractor shall perform a fit-gap analysis by comparing the Contractor responses to the Functional Matrix to the baseline ERP software solution. The Contractor shall identify, analyze, and document the requirement gaps. This document shall map, at a detailed level, the extent that the software can meet the State's functional requirements and "to be" business processes. In preparation for presentation and approval from the PSC, the Contractor shall detail each change needed to bring the software package into compliance with the State's requirements and "to be" business processes, and a design solution shall be identified that shall meet the State's needs. For each requirement that requires custom code, the impact in cost and time for this customization during the initial implementation as well as for future upgrades shall be documented. For each requirement that can be met out-of-the-box with little or no configuration required, specific examples of screen shots, database relationships, and workflow processes shall be provided to establish that the requirements can be satisfied. The Fit-Gap Analysis document shall be presented to the PSC for review and approval.
- 
- A.27.a.5 System Design Document. The purpose of this task is to create a document that describes the design of the proposed solution and implications for the State's administrative business functions. This document will communicate the new business solution and expected changes to the organization. The deliverable will include:
- The proposed integrated business processes

- High-level introductory descriptions for each process
- Supporting visual process flow or hierarchical diagrams
- Documentation of all system configuration items to support the business process design

A.27.a.6 Interface Approach Plan. Document which summarizes the requirements for interfaces for State's Edison system within the Financials, Procurement and Logistics business areas.

The Contractor will be responsible for the development and deployment of a set of standard inbound and outbound interfaces for the State to process transactions from and to those State administrative systems not replaced by the new Edison system. The Contractor will also be responsible for developing all temporary interfaces that are needed for the period of time between the time that HR/Payroll goes live and Finance/Procurement goes live. Also, depending on the schedule of deployment for Financial/ Procurement/ Logistics functions, the deployment waves for this stage could create the need for temporary interfaces from legacy systems to Edison. These temporary interfaces are the Contractor's responsibility. Standard inbound and outbound Edison interfaces include, but are not limited to, the interface examples in the table shown in Section A.22.a.6 above.

The Contractor shall provide services to the overall interface effort as noted in the table above, which includes (but is not limited to):

- ◆ Needs assessment
- ◆ Interface design
- ◆ Interface development
- ◆ Testing
- ◆ Development of procedures that support interface operations

The Contractor will not be responsible for developing or deploying agency-specific code as part of the standard set of inbound and outbound interfaces. Contractor will be responsible for modifying its standard interface formats to include any required data fields not already appearing in the interface formats. Agencies will be responsible for modifying their current programs to produce files that match the Contractor's standard inbound interface format. The agencies will also develop programs to use the outbound interface.

A.27.a.7 Data Conversion Plan Addresses the State's planned approach for converting financial accounting, procurement, and other data. The plan shall address the following, at a minimum:

- Data cleansing
- Identification of all conversion tasks
- Schedule of conversion tasks
- Identification of all data sources
- Identification of data elements and/or systems to be converted
- Identification of data needed to populate the system so that the Edison System is a fully functioning system
- Data conversion and load process
- Conversion environments
- Conversion testing
- Identification and tracking of defects
- Roles, responsibilities, and staffing to support conversion
- Conversion overview noting objectives, approach, roles, techniques, testing process, data validation, impact and resources
- Conversion strategy for handling transition period when switching from the old system to the new and the interfaces associated with each
- Conversion process (automated, manual, verification procedures, and acceptance responsibilities)
- Conversion of data into a common format (i.e. XML) prior to the loading into the Edison System
- Conversion support (system resource requirements, policy and hardware)
- Manual conversion system/data cleanup activities
- Manual data entry activities

- Procedure for continually updating Edison data when there are changes to the source systems
- Identification of necessary computer processing workloads
- Identification of and planning for manual support requirements
- Identification of control procedures and evaluation criteria
- Special training for conversion activities
- Any interim file maintenance requirements
- Development of conversion programs (includes specifications, program coding, test plans, and complete testing)
- Backup and recovery of converted data, including methods for returning to legacy state

The Contractor's responsibility for required data conversion activities associated with the project includes the following:

- Confirm statewide, agency-specific and supplier data conversion requirements
- All aspects of creating and populating the production database necessary to move the system into its full production environment;
- Data transfers during the period when the old and new systems are both operating (during year-end close processing or during implementation phasing);
- Establishment of beginning balances in the new fiscal year;
- The conversion of any detailed history or open items necessary to support particular reporting, auditing, or processing objectives;
- Data sources for chart of account data and financial, procurement, human resources and payroll history;
- Expected data volumes;
- Identification of those conversions where automated conversion tools or programming can be used to significantly reduce data conversion labor; and
- Roles, responsibilities and a schedule for the conversion effort.

In the execution of the conversion plan outlined above, the Contractor will be responsible for developing and testing automated conversion programs to support the commencement of live operations. If correction or cleansing of any of the State-provided data is required, those tasks are the responsibility of the State, although direction from the Contractor may be required. Efforts to be provided by the Contractor shall include, but not be limited to:

- Developing programming specifications
- Coding of conversion programs in accordance with program specifications
- Performing unit and integration testing of the conversion programs
- Converting, at a minimum, the following information:
  - Vendor and related location information (TOPS and STARS);
  - Employee profile information and related compensation information (SEIS, TIS, FLEX);
  - Insurance participants, premiums and contributions (TIS);
  - Account code/classification data (STARS);
  - Commodity classification data (TOPS); and
  - General ledger account balances by fund (STARS).
- Building any crosswalk file structures required to assist the State in developing test scenarios and conducting acceptance testing
- Running the conversion programs and assisting the State with the verification of the converted data in the production environment. The Contractor will lead the data conversion/loading effort. The State will be responsible for verifying the accuracy of the converted/loaded data.

A.27.a.8 Inventory of Planned Enhancements. A listing of all enhancements to be developed in order of priority, the business justification for each enhancement, potential risk to the project, as well as cost, work plan and staffing impact.

A.27.a.9 Inventory of Planned Custom Reports. The Contractor will inventory all reports and forms required for normal business operations of the State, and will create a listing of all reports and custom forms to be developed in order of priority, the business justification for each report, potential risk to the project, as well as cost, work plan and staffing impact. Although this list will be comprehensive, the Contractor shall

be responsible for the design and development of ten (10) reports of average level of difficulty and ten (10) reports of complex level of difficulty in the general Financials/ Procurement/ Logistics modules, and thirty (30) reports specifically for Budget Administration during the implementation effort. State will be responsible for providing functional design input and signoff for these reports: In addition to these 50 reports, the Contractor will be responsible for design and development of the reports required for completing the State's Annual Financial Report and all other governmental GAAP reports, if not already provided in the delivered system. These reports include:

- o Government-wide Financial Statements:
  - Statement of Net Assets
  - Statement of Activities
- o Fund Financial Statements:
  - Balance Sheet - Governmental Funds
  - Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
  - Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
  - Statement of Net Assets - Proprietary Funds
  - Statement of Revenues, Expenses, and Changes in Fund Net Assets -Proprietary Funds
  - Statement of Cash Flows - Proprietary Funds
  - Statement of Fiduciary Net Assets - Fiduciary Funds
  - Statement of Changes in Fiduciary Net Assets - Fiduciary Funds
  - Schedule of Revenues, Expenditures, and Changes in Fund Balances -Budget and Actual-Major Governmental Funds
  - Reconciliation of Budget to GAAP - Note to RSI
- o Non-major Governmental Funds:
  - Combining Balance Sheet - Non-major Governmental Funds - by Fund Type
  - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -Non-major Governmental Funds - by Fund Type
- o Non-major Special Revenue Funds:
  - Combining Balance Sheet - Non-major Special Revenue Funds
  - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-major Special Revenue Funds
  - Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Budgetary Basis) – All Non-major Budgeted Special Revenue Funds
- o Debt Service Fund:
  - Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Budgetary Basis) – Debt Service Fund
- o Permanent Funds:
  - Combining Balance Sheet - Permanent Funds
  - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Permanent Funds
- o General Fund Supplementary Schedules:
  - Comparative Schedules of Revenues by Source - General Fund
  - Comparative Schedules of Expenditures by Function and Department - General Fund
- o Non-major Enterprise Funds:
  - Combining Statement of Net Assets - Non-major Enterprise Funds
  - Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets -Non-major Enterprise Funds
  - Combining Statement of Cash Flows - Non-major Enterprise Funds
- o Internal Service Funds:
  - Combining Statement of Net Assets - Internal Service Funds
  - Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets - ~~Internal Service Funds~~
  - Combining Statement of Cash Flows - Internal Service Funds
- o Fiduciary Funds:
  - Combining Statement of Fiduciary Net Assets - Pension and Other Employee Benefit Trust Funds
  - Combining Statement of Changes in Fiduciary Net Assets - Pension and Other Employee Benefit Trust Funds

- Combining Statement of Fiduciary Net Assets - Private-Purpose Trust Funds
- Combining Statement of Changes in Fiduciary Net Assets - Private-Purpose Trust Funds.
- Combining Statement of Fiduciary Net Assets - Agency Funds
- Combining Statement of Changes in Assets and Liabilities - All Agency Funds

A.27.a.10 Inventory of Workflows. Please see the specifications for system workflow, electronic approval and electronic notifications in Section A.22.a.10. It is expected that workflows and associated functionality will be assessed, designed and developed jointly between the two project phases, so all Contractor responsibilities are listed in Section A.22.a.10.

A.27.a.11 Training Analysis, Design and Prototype. Refinement of the Training Plan based on the new system design being developed during this phase. Additionally, the training curriculum will be finalized and a prototype of each type of training material and job aid will be developed at this time.

A.27.a.12 Cultural Change Management Deliverables

A.27.a.12.1 Leadership Alignment workshops (half-day workshops, as required). Will be presented to discuss the business case that supports the project, project governance structure, project status, and significant areas of change that will impact the user agencies.

A.27.a.12.2 Stakeholder Management

- Confirm Stakeholders/Stakeholder Groups
- Assess the business process impact on each Stakeholder group
- Design Stakeholder Engagement/Influence Plans

A.27.a.12.3 Business Readiness

- Identify Business Readiness Teams
- Design Business Readiness Planning Process

A.27.a.13 Security Plan. The Contractor shall create a detailed Security Plan describing how the Edison application security features shall be integrated with the State's existing system log-in and other security procedures to provide the security requirements found in Contract Attachment B and Contract Attachment 6.11. Recommended levels of security, limitations of capabilities, and required rules shall be provided. The format and content of security tables shall be included, as well as the recommended starting phase for establishing security profiles.

A.27.a.14 Quality Assessments.

A.27.b Stage 2 Responsibilities.

<b>RESPONSIBILITY MATRIX</b>		
<b>A=Accountable, C=Contributing</b>		
	<b>Contractor</b>	<b>State</b>
1 ERP Software Installed	A	C
2 System Administration Procedures	C	A
3 Coding Block Design and Other Required Coding	C	A
4 Fit Gap Analysis	A	C
5 System Design Document	A	C
6 Interface Approach Plan	A	C
7 Data Conversion Plan	A	C
8 Inventory of Enhancements	A	C
9 Inventory of Reports	A	C
10 Inventory of Workflows	A	C
11 Training Analysis, Design and Prototype	A	C
12 Cultural Change Management deliverables		
12.1 Leadership Alignment workshops	A	C

12.2 Stakeholder Management deliverables	A	C
12.3 Business Readiness deliverables	A	C
13 Security Plan	A	C
15 Quality Assessments	A	C

Notes for Responsibility Matrix:

- 1 ERP Software Installed. Contractor and State personnel will jointly install product. Contractor will take lead in this effort with significant assistance from State. State will ensure prerequisite technical environment is established and ready for the installation. Contractor will provide guidance on the prerequisite technical environment.
- 2 System Administration Procedures. Contractor will provide recommended approach for system administration procedures. State will be responsible for incorporating these procedures into their own standard procedures.
- 3 Coding Block Design and Other Required Coding. Contractor will assist State in definition of required accounting coding structures. State will be responsible for finalizing and approving.
- 5 System Design Document. Contractor will take the lead in drafting and assembling the System Design deliverable. State will be responsible for providing functional input/guidance and assistance needed in completing the design. State has final responsibility for design review and signoff. State is responsible to making sure appropriate business personnel are available and participate during Business Process workshops.

A.28 **Phase II: Financials, Procurement, and Logistics, Stage 3: Construction.**

The purpose of Stage 3 is to develop a system that is capable of executing the business processes that are identified in the System Design.

During this stage, the State and Contractor will develop and execute a stress and volume test. Working in close partnership with State, Contractor will configure and implement the application's role-based security and authorizations strategy for the end users. Contractor will assist State in mapping the legacy data, and will begin to test the various interfaces to State's legacy systems. The State Project Team will also receive a significant amount of training and system knowledge during this stage. The System Design will provide the detailed scope for these efforts.

The Contractor shall provide a Development Manager and an Interface Technical Resource. The Development Manager will oversee and direct interface, report, conversion, workflow and modification development efforts. The Interface Technical Resource will provide technical support and mentoring to the State's interface development team. Additionally the Interface Technical Resource will assist the state in successfully creating and testing all required interfaces.

A.28.a **Stage 3 Deliverables.**

The milestones and deliverables of this stage, and the associated responsibility for each are described below:

A.28.a.1 **Designed and Developed software.**

- Interfaces
- Reports
- Conversion Programs (as well as manual conversion procedures as appropriate)
- Enhancements
- Workflows

A.28.a.2 **Production and Training Environments established.** The technical environments that support both end user training and production use have been properly established and are functioning as planned.

A.28.a.3 **Development of User Documentation and Training Materials.** The Contractor will be responsible for providing technical and user documentation for the system. This documentation will be both hard copy and, where appropriate, incorporated into the system's online help facility.

A.28.a.4 Cultural Change Management Deliverables.

A.28.a.4.1 Communication Plan and Coaching.

A.28.a.4.2 Stakeholder Management.

A.28.a.4.3 Business Readiness.

- Business readiness teams briefed (conducted kick-off)
- Team facilitation (as needed)

A.28.a.4.4 Organizational Alignment.

- Issues of organizational alignment (raised by business readiness teams)
- Developed solution (re-alignment impacts to roles and support processes) to respond to changed processes

A.28.a.5 Quality Assessment.

A.28.b Stage 3 Responsibilities.

<b>RESPONSIBILITY MATRIX</b>		<b>Contractor</b>	<b>State</b>
<b>A=Accountable, C=Contributing</b>			
1	Designed and Developed software		
	Interfaces	C	A
	Reports	A	C
	Conversion programs and/or procedures	A	C
	Enhancements	A	C
	Workflows	A	C
2	Production and Training Environments established	C	A
3	Development of User Documentation and Training Materials	A	C
4	Cultural Change Management Deliverables		
	4.1 Communication Plan	A	C
	4.2 Stakeholder Action Plans	A	C
	4.3 Business Readiness Deliverables	A	C
	4.4 Organization Alignment Deliverables	C	A
5	Quality Assessments	A	C

Notes for Responsibility Matrix:

1 Designed and Developed software - Reports/Enhancements. In addition to the Annual Financial Reports specifically listed in Section A.27.a.9 above, Contractor will design and develop ten (10) reports of average level of difficulty and ten (10) reports of complex level of difficulty plus thirty reports specifically for Budget Administration during the implementation effort, for a total of 50 reports plus the Annual Financial Reports. State will be responsible for providing functional design input and signoff for these reports. Additionally, State will allocate technical resources to learn Contractor programming techniques for future reporting needs). Contractor and State will each have primary responsibility for their respective work units (e.g. reports, enhancements, etc).

2 Production and Training Environments established. Contractor and State personnel will jointly establish environments. State will lead this effort with significant assistance from Contractor. State will ensure prerequisite technical environments are established and ready for the installation. Contractor will provide guidance on the prerequisite technical environments.

~~4.4 Cultural Change Management Deliverables: State will lead the development of business process realignment since State will best understand how to navigate business process impacts for the organization.~~

A.29 Phase II: Financials, Procurement, and Logistics, Stage 4: Test and Train.

The purpose of Stage 4 is to properly test the newly-configured system and to train end users on the software.

A.29.a Stage 3 Deliverables.

The milestones and deliverables of this stage, and the associated responsibility for each are described below:

A.29.a.1 Detailed Test Plan. The Contractor shall develop a Detailed Test Plan that addresses all testing tasks in detail, including the following:

A.29.a.1.1 Unit Test Plan. The Contractor shall create a Unit Test Plan which reflects both positive and negative aspects of each option or condition within the module code. The Unit Test Plan shall be updated throughout the project.

At the State's request, the Contractor must be prepared to replicate any or all Unit tests using the State's testing environment, including the State's Wide Area Network. The Contractor must be prepared to provide the State with the test scenarios and data the Contractor used during its own Unit Tests. In addition, the results of the Unit tests shall be available for State inspection at any time through a link provided from the project web site to the automated test tool.

A.29.a.1.2 System and Integration Test Plan. Test documentation generally shall be based on the IEEE Std 829-1998 (or current release). The Integration Test Plan and System Test Plan deliverables will incorporate the following features from the test specification document types in the standard.

1. A test design specification will be developed for each logical grouping (based on the system design) of system components to be tested (e.g., each interface or each major system function such as a month-end close process).
  - a. Identify the feature to be tested, including references to requirements or design specifications.
  - b. Define the test pass/fail criteria.
2. One or more test cases will be developed for each test design specification.
  - a. Test case conditions
  - b. Input specifications
  - c. Output (result) specifications
  - d. Dependencies
3. A test procedure will be developed for each test design specification. More than one procedure may be needed in some cases such as testing an exception or correction process for the main process. Each procedure will include the following steps. Other steps as defined in the standard may be needed in some cases.
  - a. Set-up (pre-conditions)
  - b. Start (initiate the test execution)
  - c. Proceed (steps to perform the test)
  - d. Stop (bring the test to a well-defined conclusion)
  - e. Wrap-up (restore the test environment)

A.29.a.1.3 Acceptance Test. The Contractor shall contribute to a User Acceptance Test Plan for which the State has accountability. The Contractor's contributions shall be to describe how they would accomplish the Contractor's supporting tasks, including resources to be included in the project work plan. These tasks are specified in the RFP's sections related to specific levels of testing.

The Contractor shall provide documentation of the acceptance test environment hardware, software, and network configuration in detail to support troubleshooting, recovery in case of damage, and configuration of the production system. The configuration documentation must be kept current, but a history must also be provided to support backing out ineffective configuration changes.

The Contractor shall contribute the above information at each time the Acceptance Test Plan is updated throughout the life of the project. State approval of the Contractor's work related to the acceptance test environment is required before training classes for user acceptance testers are scheduled.

A.29.a.1.4 The Contractor shall use the State-standard automated software testing tool, as defined in the Tennessee Information Resources Architecture.

A.29.a.2 Unit Testing Complete

1. Test documentation generally shall be based on the IEEE Std 829-1998 (or current release). The standard defines a test results log. The State further expects detailed results to be available to validate the accuracy of the log.
2. Unit test results shall include the following items (results may be stored in electronic form):
  - a. Name and version of the unit (module) under test
  - b. Test date and time
  - c. Condition(s) tested and associated result(s)

A.29.a.3 System / Integration Testing Complete

1. Test documentation generally shall be based on the IEEE Std 829-1998 (or current release). The standard defines a test results log. The State further expects detailed results to be available to validate the accuracy of the log.
2. Integration test results shall include the following items (results may be stored in electronic form):
  - a. Reference to the integration test plan test case/scenario executed and identification of the system components/modules under test.
  - b. Date and time of test
  - c. Detailed test results including print of data before and after test run
3. System test results shall include the following items (results may be stored in electronic form):
  - a. Reference to the system test plan test case/scenario executed
  - b. Date and time of test
  - c. Detailed test results including print of data before and after test run

A.29.a.4 Acceptance Testing Complete. This is a milestone date in which it is mutually agreed to between the State and the Contractor that all acceptance test activities have been satisfactorily completed in accordance with the Contract, the results of said testing are deemed acceptable to the State, and outstanding issues that result from the testing have been resolved or a plan satisfactory to the State has been put in place for the timely resolution of said issues.

A.29.a.5 Training Deliverables.

A.29.a.5.1 End User Training Materials. This is a milestone date in which it is mutually agreed to between the State and the Contractor that all End User Training Materials have been satisfactorily completed and approved for use by the State in accordance with the Contract.

A.29.a.5.2 Train-the-Trainer Workshops. This is a milestone date in which it is mutually agreed to between the State and the Contractor that all Train-the-Trainer Workshops have been satisfactorily completed in accordance with the Contract.

A.29.a.5.3 Completed End User Training. This is a milestone date in which it is mutually agreed to between the State and the Contractor that all End User Training has been satisfactorily completed in accordance with the Contract.

A.29.a.6 Communication Plan Deployed. This is a milestone date which is mutually agreed to between the State and the Contractor in which all components of the Communication Plan as developed in Stage 1 and maintained for the project duration have been satisfactorily addressed within the prescribed time periods as defined in the Communications Plan.

A.29.a.7 Addition of Financials, Procurement, and Logistics Functional Areas to Help Desk. The Help Desk is prepared to support the productional system environment for Financials, Procurement and Logistics.

~~A.29.a.8 Agency Implementation Guide ("Cookbook"). The contractor shall create an agency implementation guide that will assist agencies in transitioning to the new system. At a minimum the guide shall contain the following information.~~

- A.29.a.8.1 Functional Help Desk Phone Number
- A.29.a.8.2 Technical Help Desk Phone Numbers
- A.29.a.8.3 Instructions on interfacing to or obtaining a file from the new system
- A.29.a.8.4 Transaction Quick Reference Guides

- A.29.a.8.5 Important Dates
- A.29.a.8.6 Key Tips and Tricks

Additionally, the Implementation Guide must address two major services specific to the Procurement implementation:

A.29.a.8.7 Supplier Outreach - Includes activities relating to recruiting, educating, enabling, and retaining suppliers. The Contractor shall develop a supplier management plan for submission to the State's Project Team for approval. This plan must address all types of suppliers, including small business, minority-owned, disabled-owned and women-owned businesses, and suppliers with varying degrees of technology capabilities. The Contractor shall then execute the activities in accordance with the approved plan.

A.29.a.8.8 Catalog Management - The Contractor shall develop a catalog management plan for submission to the State's Project Team for approval. The State intends to include both catalogs maintained within the State's internal network ("inside the firewall") and the ability to dynamically link ("punch out") to a supplier's Web site and bring items back to the purchasing requisition document. For catalogs maintained within the State's internal network, the Contractor will be required to:

- ◆ Convert certain paper documents into electronic catalog entries. The intent is to permit only a limited number of suppliers (possibly small businesses, minority-owned, and women-owned businesses) to submit catalog information on paper and have the State create electronic catalogs from that paper-based information;
- ◆ Enable the system to receive electronic files;
- ◆ Normalize data;
- ◆ Load files;
- ◆ Test files;
- ◆ Perform various catalog management activities;
- ◆ Develop and document catalog management processes, to include documentation distributed to participating suppliers; and,
- ◆ Work with suppliers and other submitters to resolve catalog problems and educate them about the state's catalog process.

A.29.a.9 Application Release Notes. Test documentation generally shall be based on the IEEE Std 829-1998 (or current release). The Application Release Notes deliverable is based on the Test Item Transmittal Report described in the standard. The Contractor must provide this deliverable to the State with each software release submitted for State acceptance testing. The deliverable will document the following items.

1. Planned release date.
2. Release/revision number of the software/system.
3. Features/functions added.
4. Features/functions removed (if applicable).
5. Defects fixed (by defect ID).
6. Modules included in the release (by name and version number; indicate changed or new modules).

A.29.a.10 Quality Assessment.

A.29.b Stage 4 Responsibilities.

<b>RESPONSIBILITY MATRIX</b>		<b>Contractor</b>	<b>State</b>
<b>A=Accountable, C=Contributing</b>			
1 Detailed Test Plan		A	C
2 Unit Testing Complete		A	C
3 System / Integration Testing Complete		A	C
4 Acceptance Testing Complete		C	A
5 Training Deliverables			

<b>RESPONSIBILITY MATRIX</b>		
<b>A=Accountable, C=Contributing</b>		
	<b>Contractor</b>	<b>State</b>
5.1 End User Training Materials	A	C
5.2 Completed End User Training	A	C
5.3 Train-the-Trainer Workshops	A	C
6 Deployed Communication Plan	C	A
7 Addition of Financials, Procurement, and Logistics Functional Areas to Help Desk	C	A
8 Agency Implementation Guide	A	C
9 Application Release Notes	A	C
10 Quality Assessments	A	C

Notes for Responsibility Matrix:

- 1 Tested software – Reports/Enhancements. State is responsible for testing and signing off developed software. Contractor is responsible for correcting any issues identified during testing (for their components) that did not comply with the State signed off design specifications.
- 2 Unit Tested Transactions. Contractor is responsible for assisting in the unit test of transactions and issue resolution. State is responsible for final test and signoff of transactions.

A.30 Phase II: Financials, Procurement, and Logistics, Stage 5: Go Live.

The purpose of Stage 5 is to finalize the preparation of the applicable modules of the Edison system before the cutover date, including system management and cutover activities. The Cutover Date is defined as the first day that the State begins to use the new system as its primary means for conducting State business.

A.30 a Stage 5 Deliverables.

The milestones and deliverables of this stage, and the associated responsibility for each are described below:

- A.30.a.1 Completed Production System Test (includes stress and volume test). This is a milestone date in which it is mutually agreed to between the State and the Contractor that all production system test activities, including stress and volume tests, have been satisfactorily completed in accordance with the Contract, the results of said testing are deemed acceptable to the State, and outstanding issues that result from the testing have been resolved or a plan satisfactory to the State has been put in place for the timely resolution of said issues.
- A.30.a.2 Production Cutover Plan Developed (Go-Live Plan). Contractor shall provide project resources to assist in the deployment of the system to the agencies. This deliverable documents all steps required to make a successful cutover to the production environment, including specific cutover tasks, planned and actual dates for tasks completed, task responsibilities, task dependencies, estimated work effort required to complete each task, task status, results of task completion, and party sign-off for each task completed.
- A.30.a.3 Final Conversion of Data Required for Production. This is a milestone date in which it is mutually agreed to between the State and the Contractor that all data conversion activities required for productional use of the system have been satisfactorily completed in accordance with the Data Conversion Plan, the results of data conversion activities are deemed acceptable to the State, and outstanding issues that result from the data conversion activities have been resolved or a plan satisfactory to the State has been put in place for the timely resolution of said issues without impairing the Go-Live date.
- A.30.a.4 Completed Cutover Testing (begin Go-Live). This is a milestone date in which it is mutually agreed to between the State and the Contractor that all production cutover activities have been satisfactorily

executed, and outstanding issues that result from the testing have been resolved or a plan satisfactory to the State has been put in place for the timely resolution of said issues.

- A.30.a.5 Finalized Implementation Contingency Plan. This management plan identifies alternative strategies/approaches to be used to ensure project success in transitioning to the production system if specified tasks in the cutover plan cannot be completed as plan or other risk events occur.
- A.30.a.6 Go-Live Decision. This is a formal decision mutually agreed to between the State and the Contractor that all production cutover activities have been or will be satisfactorily completed in a manner that allows for a proper cutover to and operation of the production system.
- A.30.a.7 Production Support Organization Expanded. Expansion of the support organization to allow for the support of Financials, Procurement, and Logistics.
- A.30.a.8 Production System Live. This is a milestone date in which State agencies begin utilizing the production system in accordance with the Deployment Plan and the new system becomes the statewide system of record for its user agencies.
- A.30.a.9 Quality Assessment.
- A.30.b Stage 5 Responsibilities.

<b>RESPONSIBILITY MATRIX</b> <b>A=Accountable, C=Contributing</b>	<b>Contractor</b>	<b>State</b>
1 Completed Production System Test	A	C
2 Production Cutover Plan Developed	A	C
3 Final Conversion of Data Required for Production	A	C
4 Completed Cutover Testing (begin go-live)	C	A
5 Finalized Implementation Contingency Plan	C	A
6 Go-Live Decision	C	A
7 Production Support Organization Expanded	C	A
8 Production System Live	A	A
9 Quality Assessment	A	C

Notes for Responsibility Matrix:

5 Finalized Implementation Contingency Plan. Contractor and State will work together to develop a contingency plan for transition to production mode. Contractor will provide recommendations and input while State will finalize and approve.

A.31 Phase II: Financials, Procurement, and Logistics, Stage 6: Post Go-Live Support.

Following the first few days of live operation, monitoring issues for the long term must be addressed, particularly with reference to system performance, capacity and functions. During this timeframe, the Production Support Organization and Help Desk will now support the remaining Financials, Procurement, and Logistics functional areas in addition to continuing support for the HR/Payroll functions.

The Contractor shall provide post-implementation support for a period of three months after each ~~deployment wave is moved into production status. This post-implementation support shall consist of~~ technical, functional, and operational support and shall be provided by skilled personnel familiar with the State operations who were associated with the Edison implementation. In addition, the Contractor shall provide at least 3 months of support at the first fiscal year end for Financial/Procurement/Logistics.

A.31.a Stage 6 Deliverables.

The milestones and deliverables of this stage, and the associated responsibility for each are described below:

- A.31.a.1 Post-Production Support Plan. Will focus on the first 3 months of initial production stability, and will be refined for subsequent months.
- A.31.a.2 Production Support Organization is Operational for New Functions. By this milestone date, the Contractor's plan for knowledge transfer to State staff for Financial/ Procurement/ Logistics modules has been fully realized and State is prepared for normal production support activities, including training on all maintenance and configuration tasks necessary in support of system production. This is a milestone date in which it is mutually agreed to between the State and the Contractor that the post-production support organization is operating in a satisfactory manner in supporting the additional Productional functionality.
- A.31.a.3 Help Desk is Operational for New Functions. Contractor shall assist in the design and establishment of a centralized Help Desk facility. This is a milestone date in which it is mutually agreed to between the State and the Contractor that the Help Desk is operating in a satisfactory manner in supporting the additional Productional functionality.
- A.31.a.4 Accepted Production System. During the first ninety (90) days of production, the Contractor will work with the State to confirm that the system is performing as prescribed and configured in previous stages. Acceptance criterion will consist of a checklist that the State will use to confirm that each business area is working properly.
- A.31.a.5 Final Conversion of Legacy Data. As part of Stage 5, the Contractor converted data that was required for the production system. The data that was not critical for the production system, but must be converted so that the State's legacy systems can be retired on schedule, will be converted post-production.
- A.31.a.6 Fiscal Year End Support. During the first fiscal year end, the Contractor will assist with all relevant processing including but not limited to closing the period, rolling financial balances and data forward to the new year, and producing the annual financial report. The contractor will produce a fiscal year-end guide that will used by the State for subsequent year-end operations.

Deliverables for this activity include:

- Prepare year end close check list that identifies all tasks (system and non-system related) for a successful year end close
- Identify key dates
- Lead Year End Close testing, including simulating system close as many times as needed in the test environment
- Delivery of Year End Close procedure book
- Listing of key control reports including report purpose and use
- Provide on-site support during actual year end process

A.31.a.7 Quality Assessments.

A.31.b Stage 6 Responsibilities.

<b>RESPONSIBILITY MATRIX</b> <b>A=Accountable, C=Contributing</b>	<b>Contractor</b>	<b>State</b>
1 Post-Production Support Plan	C	A
2 Production Support Organization is Operational for New Functions	C	A
3 Help Desk is Operational for New Functions	C	A
4 Accepted Production System	A	C

<b>RESPONSIBILITY MATRIX</b>		
<b>A=Accountable, C=Contributing</b>		
	<b>Contractor</b>	<b>State</b>
5 Final Conversion of Legacy Data	A	C
6 Fiscal Year End Support	A	C
7 Quality Assessment	A	C

Notes for Responsibility Matrix:

- 1 Post-Production Support Plan. Contractor will offer recommendations on how to prepare for supporting the production applications. State will tailor as appropriate and finalize/approve.
- 4 Accepted Production System. Contractor will have primary responsibility for facilitating system acceptance. The State will dedicate the appropriate resources to review the System Acceptance Checklist to confirm the software is working appropriately.

A.32 System Acceptance Checklist.

During the first ninety (90) days of production, the Contractor will work with State resources to confirm that the system is performing as prescribed. The State Project Director will then complete a System Acceptance Checklist (see example that follows) that contains the detailed criteria that must be completed for system acceptance to occur. These criteria may be refined at a later date based on mutual agreement between the State and the Contractor.

The System Acceptance Checklist will be completed after "Go Live" for Phase 1: HR/Payroll once all acceptance criteria have been met, and then again after the final deployment wave for "Go Live" for Phase 2: Financials, Procurement, and Logistics once all acceptance criteria have been met. The contract payments deferred until System Acceptance will be released for each phase upon satisfactory completion and proper State approvals of the System Acceptance Checklist.

<b>SYSTEM ACCEPTANCE CHECKLIST</b>			
	<b>Description</b>		<b>Comments</b>
1	End user training documentation has been completed and approved by the State Project Director, and all training classes have been conducted for all software in production.		
2	All historical data has been converted in accordance with the Data Conversion Plan.		
3	System documentation is current and complete for all software in production.		
4	All State Configuration Managers have signed-off that Contractor has provided satisfactory knowledge transfer.		
5	All deliverables have been completed and signed off on by the State Project Director.		
6	All issues in test tracking log for which Contractor has been assigned responsibility have been resolved to State satisfaction.		
7	Satisfactory execution of final software acceptance tests. This will entail executing all transactions/business processes and confirming that they operate as intended.		
8	Contractor has complied with the standards required in RFP Attachment 6.11, Section 6.11.5.1, System Response and Availability.		
9	<del>For HR/Payroll only: Two months of payroll transactions have been processed without system or calculation errors.</del>		
10	A formal transfer of all system responsibilities from the Contractor to State resources has taken place.		
11	All project documentation has been turned over to the State Project Director.		

SYSTEM ACCEPTANCE CHECKLIST			
	Description		Comments
12	Maintenance support from Contractor is being provided at a level of quality deemed acceptable to the State.		
13	All software designated as "in scope" per the Statement of Work is fully operational.		
14	This acceptance checklist is completed and contains a signature of the State Project Director and Project Sponsors.		

A.33 Performance Standards and Liquidated Damages Assessment.

At the first incident of failure to meet one or more of the performance standards defined in the table below, the State, at its discretion, may request a corrective action plan and establish an extension date by which the Contractor shall correct the deficiency. Continued failure to meet performance standards may result in the State seeking to recover damages as permitted by the contract or at law, including liquidated damages as established in this contract where appropriate.

Performance Area	Performance Item	Performance Period	Liquidated and Additional Damages
Payroll	Failure to produce accurate payroll ACH/Checks accurately and on-time.	First two regular payroll runs for each pay frequency (biweekly, monthly, semimonthly, etc.)	\$30,000 per day
	Failure to produce accurate and complete W2 statement to employees within federal deadline	First complete set of year-end W-2s produced by Edison	\$5,000 per day plus any IRS late payment assessment
	Failure to generate Third Party Provider Payments and accompanying accurate financial posting	60 days from applicable go-live date	Five business days after receiving written notification from the State, if the correct payment has not been generated or posting corrected, \$5,000 per day
Time Entry & Leave Accounting	Failure to maintain correct time and leave balances for all state employees	First two regular payroll runs for each pay frequency (biweekly, monthly, semimonthly, etc.)	Five business days after receiving written notification from the State, if an employee's balance is not correct, \$100 per day per employee with a \$1000 per day ceiling
Accounts Payable	Produce accurate, timely vendor ACH/Checks	60 days from applicable go-live date	Five business days after receiving written notification from the State, if the correct payment has not been generated, \$5,000 per day plus any interest or late payment assessments owed to vendors
	Failure to generate accurate, timely, vendor 1099s by the federal deadline	First complete set of 1099s produced by Edison	\$3,000 per day plus any IRS late payment assessments
Bank Reconciliation	Execute automated reconciliation of Bank balances within 10 days of end of month or receipt of reconciliation files from bank, whichever is later	60 days from applicable go-live date	Five business days after receiving written notification from the State, if the reconciliation has not been completed, \$1,000 per day

Performance Area	Performance Item	Performance Period	Liquidated and Additional Damages
Project/Grant	Generate accurate billing information required for grant accounting/billing of federal government within 10 days of end of month	60 days from applicable go-live date	Five business days after receiving written notification from the State, if the correct payment has not been generated, \$1,000 per day
Key Staff	Removal of Key Staff without the written approval of the State. See Contract Section E.21 regarding terms and conditions for key staff.	For term of contract	\$50,000 per occurrence

A.34. Warranty of System Products/Services.

- A.34.a. 1) This warranty language shall supersede any warranty language provided by the Uniform Computer Information Transactions Act (UCITA).  
2) General Terms.

The Contractor expressly warrants that any components of the Edison System provided or configured by the Contractor, and any products or services resulting from change orders and enhancements produced or provided by the Contractor to the State, as being compliant in all material respects with the terms of the Contract or the change order or enhancement request, and warrants that these products or services will be free from material errors, defects, deficiencies or deviations, and that the products or services will perform in such a manner as the Contract, change order or enhancement request require, so that the intended function of the products or services is accomplished in all material respects as intended by the Contract, the change order or enhancement request, and is otherwise consistent with industry standards.

A. 34.b. Warranty Periods.

- 1) The warranty period(s) shall be one (1) year, shall apply to all software accepted by the State and to products or services resulting from change orders and enhancements related to that software, and shall begin on the following dates:
- 2) (i) The one (1) year warranty period on the applicable Edison software begins with the date the State approves in writing the System Acceptance Checklist completed by the Contractor and the State at the end of the implementation phase. As this contract anticipates two System Acceptance Checklists, one for Human Resources/Payroll and one for Financials/ Procurement/ Logistics, there will be two warranty periods for these two major system functions.  
(ii) If any change orders or enhancements are requested by the State subsequent to the implementation phase, the one (1) year warranty begins on the date the State provides written acceptance of the product or services resulting from a change order or enhancement request.
- 3) The warranty shall be applicable when State staff performs any function under direction of the Contractor during any turnover, training or maintenance periods required in the Contract.

A. 34.c. Warranty Coverage.

- 1) The warranty encompasses any errors, defects, deficiencies or deviations discovered in any products or services, and errors created in State data caused by such error, defect, deficiency or deviation.
- 2) The warranty requires the correction by the Contractor of all products or services containing any errors, defects, deficiencies or deviations, correction of errors in State data caused by such, and any necessary modifications or revisions to products or services, including, by example, and not by limitation, the design, coding, and operation of the system's software to perform any function required by the Contract, whether occurring in the original contract or whether resulting from a

change order or enhancement requested by the State, or which is procured in any amendment to the Contract, in any interfaces that are created, and in any training manuals and all system documentation provided by the Contractor.

A. 34.d. Time Frames for Warranty Services.

- 1) The Contractor must promptly, at the direction of, and within the time specified by, the State, correct any errors, defects, deficiencies or deviations from specifications and all the ERP-related system errors and performance or operational delays.
- 2) The Contractor shall provide emergency maintenance services to correct code problems or any performance or operational problems related to the design or coding of the system software, its functioning or interfaces on a twenty-four (24) hour, seven (7) days a week basis.
- 3) Products and services shall be either replaced, revised, repaired or corrected within twenty-one (21) calendar days of written notification by the State of the errors, defects, deficiencies or deviations; provided, however, that if the continued use of a defective or deficient product or service would cause damage to the State system(s) or associated data, or would otherwise seriously impair, as determined by the State, the ability of users of the system(s) to do their jobs or the functions for which the system was established, then Contractor shall act to repair the deficiencies immediately, unless an extension is otherwise granted in writing, by the State.
- 4) The State will determine when any errors, defects, deficiencies or deviations have been resolved.

A. 34.e. Resources Required for Warranty Service.

The Contractor shall apply all necessary resources to correct the errors, defects, deficiencies or deviations without cost or expense to the State, and shall make these corrections within the time-frame specified by the State.

A. 34.f. Failure to Provide Effective Warranty Services.

If the Contractor fails to repair an error, defect, deficiency or deviation for products or services covered by the warranty, the State may, at its option, act to correct or repair the error, defect, deficiency or deviation, and the Contractor shall be required to reimburse the State for all costs incurred to conduct the repair.

A. 34.g. Contact for Warranty Services.

- 1) The Contractor will be the initial contact point for all warranty notifications and support requests, regardless of the perceived source of the problem.
- 2) The Contractor may elect to have telephone or on-site warranty repair or support services performed by subcontracted personnel; however, if this is the case, the Contractor shall be responsible for coordinating the effort so that the use of any third-party support is transparent to the State and so that the State shall not have to deal directly with the sub-contractor.
- 3) The State reserves the right to approve Subcontractors for warranty service, and such Subcontractors shall be approved in writing by the State.

A. 34.h. Maintenance of Operations and Services During Warranty Work.

The correction of errors, defects, deficiencies or deviations in work products/services shall not detract from or interfere with software maintenance or operational tasks.

A. 34.i. Problems Not Caused by Contractor Fault.

- 1) If Contractor personnel determine that the problem is not the fault of Contractor-provided software or hardware, then the Contractor shall notify State support personnel immediately.
- 2) If the State agrees that the problem is due to software or hardware provided by the State, the State shall resolve the problem. However, in this case, if requested by the State, Contractor personnel shall remain on-site and/or dedicated to the problem to perform any required joint functions until the problem is resolved, and the State shall compensate the Contractor, at the rates contained in Contract Section C.4, only for the time the Contractor has to remain on site.

A.35. Review and Acceptance of Project Deliverables

A.35.a Contractor Responsibilities

1. The Contractor shall verify the quality of each deliverable before submitting it for State review and approval. By submitting a deliverable, the Contractor affirms that, to the best of its knowledge and understanding at that time, the deliverable meets State acceptance criteria.
2. The Contractor shall correct all deficiencies in deliverables as reported in writing and as required by the State.
3. The Contractor must be prepared to submit deliverables for multiple review cycles.

A.35.b State Responsibilities

1. The State will review all deliverables to determine their acceptability. The review will consider the following deliverable characteristics:
  - a. Completeness (full coverage of all topics within the defined scope of the deliverable content)
  - b. Accuracy, correctness
  - c. Level of detail (sufficient to prevent, minimize, avoid errors when used as intended)
  - d. Usability (clarity, conciseness, consistency)
  - e. Conformance to applicable State standards
  - f. Pervasiveness of cosmetic errors (spelling, grammar, syntax, etc.)
2. The State will perform an initial, cursory review of each submitted deliverable beginning on the first day of the review cycle to determine if it is suitable for in-depth review. The State may, at its sole discretion, summarily reject (refuse to review) any submitted deliverable that it finds to have obvious, major deficiencies upon initial inspection. If the State rejects the submission, it will notify the Contractor in writing as soon as the determination is made. In such a case, upon the Contractor's submittal of a corrected deliverable, the 10-day review period shall begin anew.
3. The State will complete its in-depth review and provide review results in writing to the Contractor within a time frame determined by the scope and complexity of the deliverable, but not to exceed fifteen (15) business days. The review cycle will begin with the initial review on the next business day after the date the Contractor submits the deliverable to the State for review. For example, a deliverable submitted on a Monday would begin its review cycle on the following Tuesday.
4. At the conclusion of the applicable review period, the State will formally communicate to the Contractor in writing all deficiencies found in a deliverable, if any. This list or report of deficiencies will be a controlled document so that review and revision history may be analyzed. The State will make a reasonable effort to assist the Contractor in correcting the deficiencies. The State will not develop specific corrections nor will it provide such corrections to the Contractor. If the State does not find any deficiencies within the review period, it shall deliver written Acceptance of the applicable deliverable to Contractor. The State's acceptance of a deliverable will not be unreasonably withheld.
5. The State will not consider any deliverable to be final or eligible for payment until the State has approved the deliverable in writing.
6. Partial payment for deliverables that have not been fully completed and accepted will not be considered.
7. Any changes to any Deliverable after acceptance will be subject to a change order request in accordance with the Project Change Order Procedure identified in this *Pro Forma* Contract. Once accepted by the State, Deliverables will become the basis for current Project work. Subsequent revision to accepted Deliverables that cause significant rework will need to be addressed between the State and the contractor and approved under a mutually acceptable and executed Change Order to this Contract.

A.36. The Contractor agrees to provide to the State, at the State's request, periodic reports of MBE/WBE/SBE diversity participation achieved through participation under this Contract and the Contractor's subcontract agreements. This reporting will be for the purpose of monitoring agency level diversity participation.

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B. CONTRACT TERM:

B.1. Contract Term. This Contract shall be effective for the period commencing on July 24, 2006 and ending on July 23, 2011. The State shall have no obligation for services rendered by the Contractor which are not performed within the specified period.

C. PAYMENT TERMS AND CONDITIONS:

- C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed Sixty-Five Million, Nine Hundred Eighty Thousand, Seven Dollars and No Cents (\$65,980,007.00). The Deliverable Payment Amounts in Section C.3 and the Service Rates in C.4 shall constitute the entire compensation due the Contractor for the Service and all of the Contractor's obligations hereunder regardless of the difficulty, materials or equipment required. The Deliverable Payment Schedule includes, but is not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor, with the exception of Contract Section C.5.

The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the State. The maximum liability represents available funds for payment to the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with the Deliverable Payment Amounts detailed in Section C.3, and the Service Rates detailed in Section C.4. The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract.

- C.2. Compensation Firm. The Deliverable Payment Schedule and the Maximum Liability of the State under this Contract are firm for the duration of the Contract and are not subject to escalation for any reason unless amended.

- C.3. Payment Methodology. The Contractor shall be compensated based on the Service Rates herein for units of service authorized by the State in a total amount not to exceed the Contract Maximum Liability established in Section C.1. The Contractor's compensation shall be contingent upon the satisfactory completion and approval by the State's ERP Project Steering Committee of project deliverables or project milestones defined in Contract Section A. The Contractor shall be compensated based upon the Deliverable Payment Schedules and Rates that follow:

C.3.a. Deliverable Payment Schedule - HR/Payroll Implementation.

<b>DELIVERABLE PAYMENT SCHEDULE - HUMAN RESOURCES AND PAYROLL</b>				
Total HR Payroll Cost from Total Cost Schedule		\$ 22,380,838		
- less Total HR Application Software License from Total Cost Schedule			\$ 689,256	
- less Project Team Training Costs Paid Directly to Software Vendor			\$ 313,200	
- less Payroll Software Ongoing Licensure from Total Cost Schedule			\$ 762,042	
- equals Total HR Payroll Implementation Services			<u>\$ 20,616,340</u>	
<b>Payment Number</b>	<b>Implementation Deliverable Description (Contract Section # where Deliverable is Described)</b>	<b>Estimated Payment Month</b>	<b>Payment Percentage</b>	<b>Payment Amount</b>
1	Completed: Master Project Workplan (A.21 a.3), Change Management Plan (A.21 a.5), Project Standards and Procedures (A.21 a.6)	Jul-06	3.0%	\$ 618,490
2	Completed: Capacity Analysis and Evaluation (A.21 a.8, A.21 a.9), Issue Resolution Plan (A.21 a.10), Knowledge Transfer Plan (A.21 a.11)	Aug-06	4.0%	\$ 824,654
3	Completed: Training Plan (A.21 a.12), Backup and Recovery Plan (A.21 a.14), Architecture Design Plan (A.21 a.7)	Aug-06	4.0%	\$ 824,654
4	Completed: Software Installed (A.22 a.1), System Design Document (A.22 a.5), Fit/Gap Analysis (A.22 a.4), Interface Approach Plan (A.22 a.6), Data Conversion Plan (A.22 a.7), Inventory of Enhancements (A.22 a.8), Inventory of Reports (A.22 a.9), Inventory of Workflows (A.22 a.10), Training Analysis and Design Prototype (A.22 a.11)	Oct-06	10.0%	\$ 2,061,634
5	Completed: Change Management Deliverables (leadership alignment, stakeholder management, business readiness) (A.22 a.12.1), Security Plan (A.22 a.13)	Nov-06	2.0%	\$ 412,327
6	Completed: Change Management Deliverables (Communication Plan, Stakeholder Actions Plans, Business Readiness Deliverables) (A.21 a.4, A.22 a.12.2, A.22 a.12.3)	Dec-06	7.0%	\$ 1,443,144
7	Completed: Designed and Developed Software (Reports, Conversions, Enhancements, Workflows) (A.23 a.1)	Dec-06	7.0%	\$ 1,443,144
8	Completed: Unit Tested Transactions (A.24 a.2), Detailed Test Plan (A.24 a.1)	Jan-07	6.0%	\$ 1,236,980
9	Completed: End User Training Materials (A.24 a.6.1), Train the Trainer Workshop Design (A.24 a.6.2)	Mar-07	6.0%	\$ 1,236,980
10	Completed: Agency Implementation Guide (A.24 a.9)	Mar-07	2.0%	\$ 412,327
11	Completed: Integration Testing (A.24 a.3)	Apr-07	2.0%	\$ 412,327
12	Completed: Acceptance Testing (A.24 a.4)	May-07	5.0%	\$ 1,030,817
13	Completed: Production Cutover Plan (A.25 a.2)	Jun-07	5.0%	\$ 1,030,817
14	Completed: Payroll Parallel Testing (A.24 a.5)	Aug-07	15.0%	\$ 3,092,451
15	Completed: Production System Test (A.25 a.1)	Oct-07	5.0%	\$ 1,030,817
16	Production System Live (A.25 a.9)	Jan-08	6.0%	\$ 1,236,980
17	Accepted Production System (Retainage), Completed System Acceptance Checklist (A.26 a.4)	Apr-08	10.0%	\$ 2,061,634
18	Completed: Year End Support Acceptance Checklist (A.26 a.7)	Jan-09	1.0%	\$ 206,163
<b>Total Implementation Cost</b>			<b>100%</b>	<b>\$ 20,616,340</b>

C.3.b. Deliverable Payment Schedule - Financials/Procurement/Logistics Implementation.

DELIVERABLE PAYMENT SCHEDULE - FINANCIALS, PROCUREMENT AND LOGISTICS	
Total Fin., Procurement and Logistics Cost from Total Cost Schedule	\$ 52,553,005
- less Total Fin/Proc/Log Application Software License from Total Cost Schedule	\$ 6,183,716
- less Project Team Training Costs Paid Directly to Software Vendor	\$ 379,350
- less Fin/Proc/Log Ongoing Software Licensure from Total Cost Schedule	\$ 6,669,909
- equals Total Fin., Procurement and Logistics Implementation Services	<u>\$ 39,320,030</u>

Payment Number	Implementation Deliverable Description (Contract Section # where Deliverable is Described)	Estimated Payment Month	Payment Percentage	Payment Amount
1	Completed: Master Project Workplan (A.21.a.3), Change Management Plan (A.21.a.5), Project Standards and Procedures (A.21.a.6)	Jul-06	4.0%	\$ 1,572,801
2	Completed: Capacity Analysis and Evaluation (A.21.a.8, A.21.a.9), Issue Resolution Plan (A.21.a.10), Knowledge Transfer Plan (A.21.a.11)	Jul-06	5.0%	\$ 1,966,002
3	Completed: Training Plan (A.21.a.12), Backup and Recovery Plan (A.21.a.14), Architecture Design Plan (A.21.a.7)	Aug-06	5.0%	\$ 1,966,002
4	Completed: System Design Document (A.27.a.5), Fit/Gap Analysis (A.27.a.4), Interface Approach Plan (A.27.a.6), Data Conversion Plan (A.27.a.7), Inventory of Enhancements (A.27.a.8), Inventory of Reports (A.27.a.9), Inventory of Workflows (A.27.a.10), Training Analysis and Design Prototype (A.27.a.11)	Nov-06	18.0%	\$ 7,077,605
5	Completed: Change Management Deliverables (leadership alignment, stakeholder management, business readiness) (A.27.a.12.1), Security Plan (A.27.a.13)	Dec-06	2.0%	\$ 786,401
6	Completed: Change Management Deliverables (Communication Plan, Stakeholder Actions Plans, Business Readiness Deliverables) (A.21.a.4, A.27.a.12.2, A.27.a.12.3)	Jan-07	5.0%	\$ 1,966,002
7	Completed: Designed and Developed Software (Reports, Conversions, Enhancements, Workflows) (A.28.a.1)	Mar-07	7.0%	\$ 2,752,402
8	Completed: Unit Tested Transactions (A.29.a.2), Detailed Test Plan (A.29.a.1)	Apr-07	8.0%	\$ 3,145,602
9	Completed: End User Training Materials (A.29.a.5.1), Train the Trainer Workshop Design (A.29.a.5.2)	May-07	5.0%	\$ 1,966,002
10	Completed: Agency Implementation Guide (A.29.a.8)	Jul-07	2.0%	\$ 786,401
11	Completed: Integration Testing (A.29.a.3)	Oct-07	8.0%	\$ 3,145,602
12	Completed: Acceptance Testing (A.29.a.4)	Jan-08	5.0%	\$ 1,966,002
13	Completed: Production Cutover Plan (A.30.a.2)	Mar-08	5.0%	\$ 1,966,002
14	Completed Production System Test (A.30.a.1)	Apr-08	5.0%	\$ 1,966,002
15	Production System Live (A.30.a.8)	Jul-08	5.0%	\$ 1,966,002
16	Accepted Production System for First Deployment Wave (Retainage #1), Completed System Acceptance Checklist (A.31.a.4)	Sep-08	4.0%	\$ 1,572,801
17	Accepted Production System for Second Deployment Wave (Retainage #2), Completed System Acceptance Checklist (A.31.a.4)	Dec-08	3.0%	\$ 1,179,601
18	Accepted Production System for Third Deployment Wave (Retainage #3), Completed System Acceptance Checklist (A.31.a.4)	Mar-09	3.0%	\$ 1,179,601
19	Completed: Year End Support Acceptance Checklist (A.31.a.6)	Jul-09	1.0%	\$ 393,200
<b>Total Implementation Cost</b>			<b>100%</b>	<b>\$ 39,320,030</b>

C.3.c. General Payment Provisions

- C.3.c.i. The "Estimated Payment Month" column in the tables above should not create any expectations on the part of the Contractor; these dates are only estimates, and actual payments could occur earlier or later than the timeframes stated above. The Contractor shall submit invoices, in form and substance acceptable to the State with all of the necessary supporting documentation, prior to any payment. Such invoices shall be submitted for completed deliverables and/or project milestones for the amount stipulated.
- C.3.c.ii. If payments are not made in accordance with the terms of this Agreement, Contractor reserves the right to suspend performance under this Contract, without incurring liability. However, such right to suspend performance is contingent upon Contractor providing written notice to the State to the attention of the State Contact named in Contract Section E.2, with a copy to General Counsel, Department of Finance and Administration, Suite 2100, Wm. R. Snodgrass Tennessee Tower, Nashville, Tennessee, 37243, at least fifteen (15) days prior to such intended suspension.
- C.3.c.iii. In the event of a termination of this Contract under the provisions of Sections D.3 or D.4, the State shall compensate the Contractor for authorized work, undertaken in compliance with the terms of the Contract, and deemed complete by the State. Since the termination may not coincide with the completion of a given payment point or points in the tables in C.3.a and C.3.b above, any such compensation shall be made to the extent that the State can establish reasonable, objective criteria for assessing the completeness of discrete portions of the work.
- C.3.d. Cost Reduction for Removing Services Related to Optional Software Modules. The Data Warehouse, Fleet Management and Travel modules have been designated as optional by the State of Tennessee. The Contractor will perform a fit gap analysis, as described in Sections A.22.a4 and A.27.a.4, to determine the suitability of the optional application modules. This analysis shall include a comparison of the software's fit to the ERP functional requirements. The fit gap analysis shall be completed within six (6) months of the completion of the Vendor Baseline Test Suite, and will be used by the State to determine which optional modules to retain. If the State chooses to remove a module from scope as described in Integrator Contract Section A.3, the State and MAXIMUS agree to execute a change order reducing the total due under this Contract for services related to these modules. In addition to the Change Order, the State will also process a Contract amendment to modify the payment table in Contract Section C.3.b to reflect the reduction amounts. The amount of the reduction and the adjustment to the Deliverable Payment Schedule will be calculated using the following guidelines.
- i. The State will notify MAXIMUS that the optional module(s) will not be implemented.
  - ii. The Contractor shall be paid for completed services performed through the acceptance of the fit gap analysis for the optional modules up to the end of the month in which the State decides to cancel implementation of the optional module.
  - iii. The reduction in total contract payments to the Contractor, and the resulting amendment amount, shall be equal to the projected remaining consulting services associated with the optional module. The projected remaining consulting services shall be calculated by referencing Optional Module Cost Per Month Table (Contract Attachment H), and summing the projected monthly consulting services specifically identified for that optional module from the month following the notification to the end of the project.
  - iv. The reduction amount calculated in the previous step (the "Total Payment Reduction") shall be allocated across the remaining deliverable payment amounts shown in Contract Section C.3.b, ~~Deliverable Payment Schedule - Financials/Procurement/Logistics Implementation. The amount~~ of the deduction to a payment in the Deliverable Payment Schedule shall be calculated by using the following processes/formulae:
    - (1) Determine the "Total Remaining Payment Percentages" by adding the percentages in the "Payment Percentage" column;

EXAMPLE -- from the table in Section C.3.b, assume the first three payments have already been made:

Total Remaining Payment Percentages = 86%

- (2) For each remaining payment, determine the "Specific Payment Reduction Percentage" for that payment by dividing the Payment Percentage column for the payment in question by the Total Remaining Payment Percentage;

EXAMPLE -- assume you are calculating the Specific Payment Reduction for Payment Number 4:

Specific Payment Reduction Percentage =  $18\% / 86\% = .209$ , rounded to .21, or 21%.  
(The result of all of these calculations must total to 100%, and rounding will be adjusted as necessary to ensure that this occurs.)

- (3) Determine the Specific Payment Reduction for each remaining payment by multiplying the Total Payment Reduction by the relevant Specific Payment Reduction Percentage.

EXAMPLE -- Assume the "Total Payment Reduction" is \$1,000,000; and you are calculating the reduction for Payment Number 4:

Specific Payment Reduction =  $\$1,000,000 \times .21 = \$210,000$

- (4) Determine the "Revised Payment Amount" by subtracting the Specific Payment Reduction from the existing Payment Amount:

EXAMPLE -- for Payment Number 4:

Revised Payment Amount =  $\$7,063,949 - \$210,000 = \$6,853,949$

- v. These calculations and subsequent reductions in deliverable payment amounts shall continue for each remaining unpaid deliverable amount on the schedule until the full amount of the change order has been applied. NOTE: the Examples above for explanatory purposes only and shall not be construed to predict or determine actual reduction amounts.

C.4. Deliverable Payment Schedule – Change Order Rates. The Contractor shall be compensated for Change Order tasks (see Contract Attachment B, Section B.3.3) based on the Service Rates herein for units of service authorized by the State in a total amount not to exceed the Contract Maximum Liability established in Section C.1. The Contractor's compensation shall be contingent upon the satisfactory delivery of units of service, on an hourly, as-used basis, for the Job Classifications defined in Contract Attachment B. The Contractor shall be compensated based upon the following Service Rates:

<u>JOB CLASSIFICATION</u>	<u>SERVICE RATE PER HOUR</u>				
	<u>YEAR 1</u>	<u>YEAR 2</u>	<u>YEAR 3</u>	<u>YEAR 4</u>	<u>YEAR 5</u>
Project Manager	\$250.00	\$250.00	\$255.00	\$255.00	\$260.00
Deputy Project Manager	\$225.00	\$225.00	\$230.00	\$230.00	\$235.00
Configuration Manager	\$200.00	\$200.00	\$205.00	\$205.00	\$210.00
Configuration Lead	\$190.00	\$190.00	\$195.00	\$195.00	\$200.00
Configuration Consultant	\$180.00	\$180.00	\$185.00	\$185.00	\$190.00
Technical Manager	\$225.00	\$225.00	\$230.00	\$230.00	\$235.00
Technical Lead	\$200.00	\$200.00	\$205.00	\$205.00	\$210.00

Technical Consultant	\$160.00	\$160.00	\$165.00	\$165.00	\$170.00
Enterprise Readiness (Training/ Change Mgmt) Manager	\$225.00	\$225.00	\$230.00	\$230.00	\$235.00
Training Consultant	\$150.00	\$150.00	\$155.00	\$155.00	\$160.00

The aggregate value of change orders executed under this contract shall not exceed Five Million, Nine Hundred Ninety-Three Thousand, Six Hundred Thirty-Seven Dollars (\$5,993,637.00).

- C.5. Travel Compensation. With regard to Travel, the following provisions shall apply:
- C.5.a. The project site "Official Station," which is defined as the location at which Contractor personnel shall perform the major portion of their duties, is Nashville, Tennessee.
- C.5.b. Neither the Contractor, its personnel, nor its agents shall be eligible for reimbursements for any travel expenses related to work performed at Contractor maintained or sanctioned work locations, or at the Official Station. This includes, but is not limited to, travel to and from the Official Station, and food and lodging therein.
- C.5.c. In some cases, at the State's request and with prior written approval, Contractor personnel may be required to travel and work away from the Official Station. Such travel expenses, provided that the destination is greater than fifty (50) miles from the Official Station, shall be reimbursed in accordance with the *State of Tennessee Comprehensive Travel Regulations*, as amended from time to time (see <http://www.state.tn.us/finance/act/policy.html>).
- C.6. Payment of Invoice. The payment of the invoice by the State shall not prejudice the State's right to object to or question any invoice or matter in relation thereto. Such payment by the State shall neither be construed as acceptance of any part of the work or service provided nor as an approval of any of the amounts invoiced therein.
- C.7. Invoice Reductions. The Contractor's invoice shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by the State, on the basis of audits conducted in accordance with the terms of this contract, not to constitute proper remuneration for compensable services.
- C.8. Deductions. The State reserves the right to deduct from amounts which are or shall become due and payable to the Contractor under this or any contract between the Contractor and the State of Tennessee any amounts which are or shall become due and payable to the State of Tennessee by the Contractor.
- C.9. Automatic Deposits. The Contractor shall complete and sign an "Authorization Agreement for Automatic Deposit (ACH Credits) Form." This form shall be provided to the Contractor by the State. Once this form has been completed and submitted to the State by the Contractor all payments to the Contractor, under this or any other contract the Contractor has with the State of Tennessee shall be made by Automated Clearing House (ACH). The Contractor shall not invoice the State for services until the Contractor has completed this form and submitted it to the State.
- C.10. Retention of Final Payment.
- C.10.a. HR/Payroll Retainage Payment – An amount of Two Million, Sixty-One Thousand, Six Hundred Thirty-Four Dollars (\$2,061,634.00), representing ten percent (10 %) of the maximum total compensation payable under this Contract for Implementation Services for HR/Payroll, shall be withheld by the State until sixty (60) days after final completion of the services to be performed by the Contractor under this Contract (excluding maintenance services) and formal acceptance by the State of the Production System (Payment #17 above).
- C.10.b. Finance/Procurement/Logistics Retainage Payment – An amount of Three Million, Nine Hundred Thirty-Two Thousand, and Three Dollars (\$3,932,003.00), representing ten percent (10 %) of the maximum total compensation payable under this Contract for Implementation Services for Finance/Procurement/Logistics, shall be withheld by the State until sixty (60) days after final completion of

the services to be performed by the Contractor under this Contract (excluding maintenance services) and formal acceptance by the State of the Production System (Payments #16, #17, and #18 above).

D. STANDARD TERMS AND CONDITIONS:

- D.1. Required Approvals. The State is not bound by this Contract until it is approved by the appropriate State officials in accordance with applicable Tennessee State laws and regulations.
- D.2. Modification and Amendment. This Contract may be modified only by a written amendment executed by all parties hereto and approved by the appropriate Tennessee State officials in accordance with applicable Tennessee State laws and regulations.
- D.3. Termination for Convenience. The State may terminate this Contract without cause for any reason. Said termination shall not be deemed a Breach of Contract by the State. The State shall give the Contractor at least thirty (30) days written notice before the effective termination date. The Contractor shall be entitled to receive compensation for satisfactory, authorized service completed as of the termination date, but in no event shall the State be liable to the Contractor for compensation for any service which has not been rendered. Upon such termination, the Contractor shall have no right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- D.4. Termination for Cause. If the Contractor fails to properly perform its obligations under this Contract in a timely or proper manner, or if the Contractor violates any terms of this Contract, the State shall have the right to immediately terminate the Contract and withhold payments in excess of fair compensation for completed services. The State will invoke its right to terminate under this provision only for a material breach of the Contract. Notwithstanding the above, the Contractor shall not be relieved of liability to the State for damages sustained by virtue of any breach of this Contract by the Contractor.
- D.5. Subcontracting. The Contractor shall not assign this Contract or enter into a subcontract for any of the services performed under this Contract without obtaining the prior written approval of the State. If such subcontracts are approved by the State, they shall contain, at a minimum, sections of this Contract pertaining to "Conflicts of Interest," "Nondiscrimination," "Confidentiality of Records," and "HIPAA Compliance" (sections D.6, D.7, E.13 and E.15). Notwithstanding any use of approved subcontractors, the Contractor shall be the prime contractor and shall be responsible for all work performed.
- D.6. Conflicts of Interest. The Contractor warrants that no part of the total Contract Amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Contractor in connection with any work contemplated or performed relative to this Contract.
- D.7. Nondiscrimination. The Contractor hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the Contractor on the grounds of disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law. The Contractor shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.
- D.8. Records. The Contractor shall maintain documentation for all charges against the State under this Contract. The books, records, and documents of the Contractor, insofar as they relate to work performed or money received under this contract, shall be maintained for a period of three (3) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the State, the Comptroller of the Treasury, or their duly appointed representatives. The financial statements shall be prepared in accordance with generally accepted accounting principles.
- D.9. Monitoring. The Contractor's activities conducted and records maintained pursuant to this Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives.
- D.10. Progress Reports. The Contractor shall submit brief, periodic, progress reports to the State as requested.

D.11. Strict Performance. Failure by any party to this Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this Contract shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the parties hereto.

D.12. Independent Contractor. The parties hereto, in the performance of this Contract, shall not act as employees, partners, joint venturers, or associates of one another. It is expressly acknowledged by the parties hereto that such parties are independent contracting entities and that nothing in this Contract shall be construed to create an employer/employee relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.

The Contractor, being an independent contractor and not an employee of the State, agrees to carry adequate public liability and other appropriate forms of insurance, including adequate public liability and other appropriate forms of insurance on the Contractor's employees, and to pay all applicable taxes incident to this Contract.

D.13. State Liability. The State shall have no liability except as specifically provided in this Contract.

D.14. Force Majeure. The obligations of the parties to this contract are subject to prevention by causes beyond the parties' control that could not be avoided by the exercise of due care including, but not limited to, acts of God, riots, wars, strikes, epidemics or any other similar cause.

D.15. State and Federal Compliance. The Contractor shall comply with all applicable State and Federal laws and regulations in the performance of this Contract.

D.16. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Contractor agrees that it will be subject to the exclusive jurisdiction of the courts of the State of Tennessee in actions that may arise under this Contract. The Contractor acknowledges and agrees that any rights or claims against the State of Tennessee or its employees hereunder, and any remedies arising therefrom, shall be subject to and limited to those rights and remedies, if any, available under *Tennessee Code Annotated*, Sections 9-8-101 through 9-8-407.

D.17. Completeness. This Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.

D.18. Severability. If any terms and conditions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Contract are declared severable.

D.19. Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.

E. SPECIAL TERMS AND CONDITIONS:

E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Contract, these special terms and conditions shall control.

E.2. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by facsimile transmission, by overnight courier service, or by first class mail, postage prepaid, addressed to the respective party at the appropriate facsimile number or address as set forth below or to such other party, facsimile number, or address as may be hereafter specified by written notice.

The State:

Stephanie Richardson, Edison Project Director  
Department of Finance and Administration, Enterprise Resource Planning Division  
162 3<sup>rd</sup> Ave. North  
Nashville, TN 37243  
Phone: (615) 253-2725  
Fax: (615) 253-2980

The Contractor:

David B. Nickel, Division President  
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3130 Kilgore Road, Suite 400  
Rancho Cordova, CA 95670  
(916) 669-3720  
(916) 669-3514

All instructions, notices, consents, demands, or other communications shall be considered effectively given as of the day of delivery; as of the date specified for overnight courier service delivery; as of three (3) business days after the date of mailing; or on the day the facsimile transmission is received mechanically by the telefax machine at the receiving location and receipt is verbally confirmed by the sender if prior to 4:30 p.m. CST. Any communication by facsimile transmission shall also be sent by United States mail on the same date of the facsimile transmission.

- E.3. Subject to Funds Availability. The Contract is subject to the appropriation and availability of State and/or Federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate the Contract upon written notice to the Contractor. Said termination shall not be deemed a breach of Contract by the State. Upon receipt of the written notice, the Contractor shall cease all work associated with the Contract. Should such an event occur, the Contractor shall be entitled to compensation for all satisfactory and authorized services completed as of the termination date. Upon such termination, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

- E.4. Breach. A party shall be deemed to have breached the Contract if any of the following occurs:

- failure to perform in accordance with any term or provision of the Contract;
- partial performance of any term or provision of the Contract;
- any act prohibited or restricted by the Contract, or
- violation of any warranty.

For purposes of this contract, these items shall hereinafter be referred to as a "Breach."

- a. Contractor Breach— The State shall notify Contractor in writing of a Breach.

- i. In event of a Breach by Contractor, the State shall have available the remedy of Actual Damages and any other remedy available at law or equity. However, the State will only invoke the remedies set forth in subsections E.4.a.iii (Partial Default) and E.4.a.iv (Contract Termination) for a material breach of the Contract.
- ii. Liquidated Damages— In the event of a Breach, the State may assess Liquidated Damages. The State shall notify the Contractor of amounts to be assessed as Liquidated Damages. The parties agree that due to the complicated nature of the Contractor's obligations under this Contract it would be difficult to specifically designate a monetary amount for a Breach by Contractor as said amounts are likely to be uncertain and not easily proven. Contractor hereby represents and covenants it has carefully reviewed the Liquidated Damages contained in Contract Section A.33 and agree that said amounts represent a reasonable relationship between the amount and what might reasonably be expected in the event of Breach, and are a reasonable estimate of the damages that would occur from a Breach. It is hereby agreed between the parties that the Liquidated Damages represent solely the damages and injuries sustained by the State in losing the benefit of the bargain with Contractor and do not include any injury or damage sustained

by a third party. The Contractor agrees that the liquidated damage amount is in addition to any amounts Contractor may owe the State pursuant to the indemnity provision or other section of this Contract.

The State may continue to withhold the Liquidated Damages or a portion thereof until the Contractor cures the Breach, the State exercises its option to declare a Partial Default, or the State terminates the Contract. The State is not obligated to assess Liquidated Damages before availing itself of any other remedy. The State may choose to discontinue Liquidated Damages and avail itself of any other remedy available under this Contract or at law or equity; provided, however, Contractor shall receive a credit for said Liquidated Damages previously withheld except in the event of a Partial Default.

- iii. Partial Default— In the event of a Breach, the State may declare a Partial Default. In which case, the State shall provide the Contractor written notice of: (1) the date which Contractor shall terminate providing the service associated with the Breach; and (2) the date the State will begin to provide the service associated with the Breach. Notwithstanding the foregoing, the State may revise the time periods contained in the notice written to the Contractor.

In the event the State declares a Partial Default, the State may withhold, together with any other damages associated with the Breach, from the amounts due the Contractor the greater of: (1) amounts which would be paid the Contractor to provide the defaulted service; or (2) the cost to the State of providing the defaulted service, whether said service is provided by the State or a third party. To determine the amount the Contractor is being paid for any particular service, the Department shall be entitled to receive within five (5) days any requested material from Contractor. The State shall make the final and binding determination of said amount.

The State may assess Liquidated Damages against the Contractor for any failure to perform which ultimately results in a Partial Default with said Liquidated Damages to cease when said Partial Default is effective. Upon Partial Default, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount. Contractor agrees to cooperate fully with the State in the event a Partial Default is taken

- iv. Contract Termination— In the event of a Breach, the State may terminate the Contract immediately or in stages. The Contractor shall be notified of the termination in writing by the State. Said notice shall hereinafter be referred to as Termination Notice. The Termination Notice may specify either that the termination is to be effective immediately, on a date certain in the future, or that the Contractor shall cease operations under this Contract in stages. In the event of a termination, the State may withhold any amounts which may be due Contractor without waiver of any other remedy or damages available to the State at law or at equity. The Contractor shall be liable to the State for any and all damages incurred by the State and any and all expenses incurred by the State which exceed the amount the State would have paid Contractor under this Contract. Contractor agrees to cooperate with the State in the event of a Contract Termination or Partial Takeover.

- v. Opportunity to Cure—

(1) The contractor may request the opportunity to cure a breach of contract due to a problem in contract performance. The request for a cure period must be ~~submitted in writing within three business days of Contractor being notified of, or~~ becoming aware of, a performance problem. The State's approval shall not be unreasonably withheld.

(2) The cure period granted under subsection (a) shall not exceed 30 days. The contractor may submit a written request for a cure period longer than 30 days

setting forth the reasons for this request. The State, in its sole discretion, may grant or deny this request.

- (3) This opportunity to cure shall not be available in circumstances in which the contractor intentionally withholds its services or otherwise refuses to perform. The State will not consider a request to cure contract performance where there have been repeated problems with respect to identical or similar issues, if a cure period would unreasonably delay completion of the contract, or if State operations dependent on the contract would be adversely affected.

- b. State Breach— In the event of a Breach of contract by the State, the Contractor shall notify the State in writing within thirty (30) days of any Breach of contract by the State. Said notice shall contain a description of the Breach. Failure by the Contractor to provide said written notice shall operate as an absolute waiver by the Contractor of the State's Breach. In no event shall any Breach on the part of the State excuse the Contractor from full performance under this Contract. In the event of Breach by the State, the Contractor may avail itself of any remedy at law in the forum with appropriate jurisdiction; provided, however, failure by the Contractor to give the State written notice and opportunity to cure as described herein operates as a waiver of the State's Breach. Failure by the Contractor to file a claim before the appropriate forum in Tennessee with jurisdiction to hear such claim within one (1) year of the written notice of Breach shall operate as a waiver of said claim in its entirety. It is agreed by the parties this provision establishes a contractual period of limitations for any claim brought by the Contractor.

- E.5. Partial Takeover. The State may, at its convenience and without cause, exercise a partial takeover of any service which the Contractor is obligated to perform under this Contract, including but not limited to any service which is the subject of a subcontract between Contractor and a third party, although the Contractor is not in Breach (hereinafter referred to as "Partial Takeover"). Said Partial Takeover shall not be deemed a Breach of Contract by the State. Contractor shall be given at least 30 days prior written notice of said Partial Takeover with said notice to specify the area(s) of service the State will assume and the date of said assumption. Any Partial Takeover by the State shall not alter in any way Contractor's other obligations under this Contract. The State may withhold from amounts due the Contractor the amount the Contractor would have been paid to deliver the service as determined by the State. The amounts shall be withheld effective as of the date the State assumes the service. Upon Partial Takeover, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

E.6. Ownership of Work Products and Rights to Knowledge Obtained.

E.6.a. Definition of Work Products.

- E.6.a.i. "Work Products" shall mean all software, documentation, RFP deliverables and any other items provided by the Contractor pursuant to this Contract, including Custom-Developed Application Software, Rights Transfer Application Software, and the source code pertaining thereto. These software categories are defined as follows:

- (1) Custom-Developed Application Software – Any application software developed for the State under the terms of this Contract.
- (2) Rights Transfer Application Software – Any pre-existing Contractor developed/owned application software, including but not limited to, modules, complete applications, components, builds, and /or individual lines of software code provided as a part of the overall solution, and to which the Contractor shall grant all rights and provide source code to the State.

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For further details and definitions pertaining to these software categories, as well as those mentioned below, see RFP Attachment 6.11, Section 6.11.7.

- E.6.a.ii. The only categories of software not included in Work Products are the following:

- (1) Proprietary Operating Environment/Utility Software provided at established catalog or market prices and sold or leased to the general public (examples include operating system software and database management systems);
- (2) Proprietary Core System Software;
- (3) Contractor-Owned Core System Software;
- (4) Public Domain Software; and
- (5) Specialized Software, Add-Ons, Plug-Ins, etc.

E.6.b. State Ownership of Work Products. The State shall have all ownership right, title, and interest, including ownership of copyright, in all work products, including application software, source code, or modifications thereof and associated documentation, created, designed, and/or developed solely for the State under this Contract (known collectively as "Work Products"). The State shall have royalty-free, non-exclusive, and unlimited rights to use, modify, disclose, reproduce, and/or publish, for any purpose whatsoever, all said Work Products. The Contractor shall furnish the Work Products upon request of the State, in accordance with the Contract and applicable State law. With State approval, the Contractor will be able to use the application source code and documentation where they may have applicability with other state and local government entities, and such approval shall not be unreasonably withheld.

E.6.c. Proprietary Operating Environment/Utility Software Packages. The State shall enter into licensing agreements directly with the owners of these products. The State's rights and obligations shall be in accordance with applicable licensing agreements, provided that these agreements are not in conflict with State law or with the State's requirements as expressed in the Contract and RFP.

E.6.d. Proprietary Core System Software. This includes commercially available application software, including Commercial Off The Shelf (COTS) solutions, that are owned by a subcontractor, or a third party, and are used to deliver the core or primary solution functionality. See RFP Attachment 6.19, *Pro Forma* Software License.

- i. The owner of the Proprietary Core System Software shall retain ownership right, title, and interest in the portions of the system that were not developed under the terms of this Contract or using State moneys or resources.
- ii. The State shall execute one or more direct licensure agreements with the owner(s) of the software to provide the State with licensure rights to the Proprietary Core System Software.
- iii. The State's rights and obligations shall be in accordance with the applicable licensing agreements, provided that these agreements are not in conflict with State law or with the State's requirements as expressed in the Contract and RFP.

E.6.e. Contractor-Owned Core System Software. This includes commercially available application software, including Commercial Off-The-Shelf (COTS) solutions that are owned by the Contractor, and are used to deliver the core or primary solution functionality.

- i. The Contractor shall retain ownership right, title, and interest in the portions of the system that were not developed using State moneys or resources, and that were complete and the property of the Contractor as of the effective date of the Contract:
- ii. ~~The Contractor hereby grants the State a perpetual, irrevocable, unlimited, and nonexclusive right to use the Contractor Proprietary Products for the State's business purposes, including, but not limited to: (1) access by users who are not employees of the State for the purpose of transacting State business; and (2) access by any future service providers with whom the State may contract. The Contractor warrants that Contractor is duly authorized to grant this right.~~
- iii. Source Code in Escrow.

- (1) For all Contractor-Owned Core System Software, the Contractor shall maintain copies of the source code in escrow with an escrow company pre-approved by the State. The Contractor shall pay all fees associated with placing and maintaining the source code in escrow.
- (2) Within fifteen (15) calendar days after the State's written acceptance of the implementation of the system, the Contractor shall submit to the State a letter naming the escrow company that the Contractor intends to use, with the understanding that the State may approve or disapprove the named company. This letter must include the name, address, and full contact information for the recommended escrow company. The State will indicate its approval or disapproval in writing.
- (3) Within fifteen (15) calendar days after the State has provided to the Contractor the written approval of a recommended escrow company, the Contractor shall place the source code in escrow with the approved escrow company. The Contractor shall provide the State with a signed letter from the escrow company in question stating that the code has been placed in escrow and confirming the State's right to obtain the source code directly from the escrow company in the event of Contractor default as described below. Throughout the term of the contract, the Contractor shall ensure that the source code in escrow is kept current with the State's production environment, matching the State's production version level, including any upgrades, enhancements, or new releases that are applied to the State's system.
- (4) If for any reason during the term of the contract the Contractor becomes unable to fulfill its obligations as described herein, the Contractor agrees to deliver the source code held in escrow to the State. In the event that the Contractor fails to deliver the source code in a timely manner, as determined by the State, the State may obtain the source code directly from the escrow company.

E.6.f. Public Domain Software. This is software that is available to the State free of charge, either directly from the supplier of such software, or through transfer by the Contractor. The State shall have royalty-free, non-exclusive, and unlimited rights to use, modify, disclose, reproduce, and/or publish, for any purpose whatsoever, the Public Domain Software.

E.6.g. Specialized Software, Add-Ons, Plug-Ins, etc. This means any other software, apart from the Proprietary Operating Environment/Utility Software, that is required for the operation or maintenance of the solution in addition to the application software. It can be Vendor or third-party owned. The State shall enter into licensing agreements directly with the owners of these products. The State's rights and obligations shall be in accordance with the applicable licensing agreements, provided that these agreements are not in conflict with State law or with the State's requirements as expressed in the Contract and RFP.

E.6.h. Acquired Knowledge and Skills. Nothing in this Contract shall prohibit the Contractor's use for its own purposes of the general knowledge, skills, experience, ideas, concepts, know-how, and techniques obtained and used during the course of providing the services requested under this Contract.

E.6.i. Development of Similar Materials. Nothing in the Contract shall prohibit the Contractor from developing for itself, or for others, materials which are similar to and/or competitive with those that are produced under this Contract.

E.7. Printing Authorization. The Contractor agrees that no publication coming within the jurisdiction of *Tennessee Code Annotated*, Section 12-7-101, *et. seq.*, shall be printed unless a printing authorization number has been obtained and affixed as required by *Tennessee Code Annotated*, Section 12-7-103 (d).

E.8. State Furnished Property. The Contractor shall be responsible for the correct use, maintenance, and protection of all articles of nonexpendable, tangible, personal property furnished by the State for the Contractor's temporary use under this Contract. ~~Upon termination of this Contract, all property furnished~~ shall be returned to the State in good order and condition as when received; reasonable use and wear thereof excepted. Should the property be destroyed, lost, or stolen, the Contractor shall be responsible to the State for the residual value of the property at the time of loss.

E.9. Incorporation of Additional Documents. Included in this Contract by reference are the following documents:

- a. The Contract document and its attachments
- b. All Clarifications and addenda made to the Contractor's Proposal
- c. The Request for Proposal and its associated amendments, including the *Request for Best and Final Offer (RFBAFO)*, dated April 13, 2006
- d. Technical Specifications provided to the Contractor
- e. The *Contractor's Best and Final Offer (BAFO) Technical and Cost Proposals*, dated April 28, 2006
- f. The Contractor's Initial Proposal

In the event of a discrepancy or ambiguity regarding the Contractor's duties, responsibilities, and performance under this Contract, these documents shall govern in order of precedence detailed above.

- E.10. Workpapers Subject to Review. The Contractor shall make all audit, accounting, or financial analysis workpapers, notes, and other documentation available for review by the Comptroller of the Treasury or his representatives, upon request, during normal working hours either while the analysis is in progress or subsequent to the completion of this Contract.
- E.11. Public Funding Notice. All notices, informational pamphlets, press releases, research reports, signs, and similar public notices prepared and released by the Contractor relative to this Contract shall include the statement, "This project is funded under an agreement with the State of Tennessee." Any such notices by the Contractor shall be approved by the State.
- E.12. Prohibited Advertising. The Contractor shall not refer to this Contract or the Contractor's relationship with the State hereunder in commercial advertising in such a manner as to state or imply that the Contractor or the Contractor's services are endorsed.
- E.13. Confidentiality of Records. Strict standards of confidentiality of records and information shall be maintained in accordance with applicable state and federal law. All material and information, regardless of form, medium or method of communication, provided to the Contractor by the State or acquired by the Contractor on behalf of the State shall be regarded as confidential information in accordance with the provisions of applicable state and federal law, state and federal rules and regulations, departmental policy, and ethical standards. Such confidential information shall not be disclosed, and all necessary steps shall be taken by the Contractor to safeguard the confidentiality of such material or information in conformance with applicable state and federal law, state and federal rules and regulations, departmental policy, and ethical standards.

The Contractor's obligations under this section do not apply to information in the public domain; entering the public domain but not from a breach by the Contractor of this Contract; previously possessed by the Contractor without written obligations to the State to protect it; acquired by the Contractor without written restrictions against disclosure from a third party which, to the Contractor's knowledge, is free to disclose the information; independently developed by the Contractor without the use of the State's information; or, disclosed by the State to others without restrictions against disclosure. Nothing in this paragraph shall permit Contractor to disclose any information that is confidential under federal or state law or regulations, regardless of whether it has been disclosed or made available to the Contractor due to intentional or negligent actions or inactions of agents of the State or third parties.

It is expressly understood and agreed the obligations set forth in this section shall survive the termination of this Contract.

- E.14. Copyrights and Patents. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims or suits which may be brought against the State for infringement of any laws regarding patents or copyrights which may arise from the Contractor's performance of this Contract. In any such action brought against the State, the Contractor shall satisfy and indemnify the State for the amount of any final judgment for infringement. The Contractor further agrees it shall be liable for the reasonable fees of attorneys for the State in the event

such service is necessitated to enforce the terms of this Contract or otherwise enforce the obligations of the Contractor to the State. The State shall give the Contractor written notice of any such claim or suit and full right and opportunity to conduct the Contractor's own defense thereof.

- E.15. HIPAA Compliance. The State and Contractor shall comply with obligations under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and its accompanying regulations.
- a. Contractor warrants to the State that it is familiar with the requirements of HIPAA and its accompanying regulations, and will comply with all applicable HIPAA requirements in the course of this contract.
  - b. Contractor warrants that it will cooperate with the State, including cooperation and coordination with State privacy officials and other compliance officers required by HIPAA and its regulations, in the course of performance of the Contract so that both parties will be in compliance with HIPAA.
  - c. The State and the Contractor will sign documents, including but not limited to business associate agreements, as required by HIPAA and that are reasonably necessary to keep the State and Contractor in compliance with HIPAA. This provision shall not apply if information received by the State under this Contract is NOT "protected health information" as defined by HIPAA, or if HIPAA permits the State to receive such information without entering into a business associate agreement or signing another such document.
  - d. The Contractor agrees that it shall be liable for any charges imposed by the Federal Government on the State as a result of any claim related to HIPAA non-compliance, to the extent that such claim is related to products provided by the Contractor.
- E.16. Date/Time Hold Harmless. The contractor shall hold harmless and indemnify the State of Tennessee; its officers and employees; and any agency or political subdivision of the State for any breach of contract caused directly or indirectly by the failure of computer software or any device containing a computer processor to accurately or properly recognize, calculate, display, sort or otherwise process dates or times.
- E.17. Tennessee Consolidated Retirement System. The Contractor acknowledges and understands that, subject to statutory exceptions contained in *Tennessee Code Annotated*, Section 8-36-801, *et. seq.*, the law governing the Tennessee Consolidated Retirement System, provides that if a retired member returns to State employment, the member's retirement allowance is suspended during the period of the employment. Accordingly and notwithstanding any provision of this Contract to the contrary, the Contractor agrees that if it is later determined that the true nature of the working relationship between the Contractor and the State under this Contract is that of "employee/employer" and not that of an independent contractor, the Contractor may be required to repay to the Tennessee Consolidated Retirement System the amount of retirement benefits the Contractor received from the Retirement System during the period of this Contract.
- E.18. Debarment and Suspension. The Contractor certifies, to the best of its knowledge and belief, that it and its principals:
- a. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal or State department or agency;
  - b. have not within a three (3) year period preceding this Contract been convicted of, or had a civil judgment rendered against them from commission of fraud, or a criminal offence in connection with obtaining attempting to obtain, or performing a public (Federal, State, or Local) transaction or grant under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;
  - c. are not presently indicted for or otherwise criminally or civilly charged by a government entity (Federal, State, or Local) with commission of any of the offenses detailed in section b. of this certification; and

d. have not within a three (3) year period preceding this Contract had one or more public transactions (Federal, State, or Local) terminated for cause or default.

- E.19. Limitation of Liability. The Contractor's liability to the State, and its indemnification of the State for any acts or omissions attributable to the Contractor under this Contract, shall be limited to two (2) times the value of the Contract. The value of the contract shall be determined by the State's Maximum Liability provisions in Paragraph C.1. of this Contract, or as such Maximum Liability may be amended. This limitation applies to all causes of action, including without limitation, breach of contract, breach of warranty, negligent acts, but specifically shall not apply to criminal acts, intentional torts or fraudulent conduct of the Contractor. The State will not indemnify the Contractor for damages caused by the Contractor's own actions or negligence, or those of third parties.
- E.20. Accessibility. The implemented software solution must be accessible to individuals with disabilities at the time the software is put into productional use. This includes addressing the Americans with Disabilities Act (ADA) Section 508 standards and Web Accessibility Initiative (WAI) Web Content Accessibility Priority 1 guidelines. If the State notifies the Contractor that a person has made a claim against the State concerning accessibility of products furnished by the Contractor under this contract, the Contractor will work with the State in an effort to remedy the claim in a timely manner. To the extent that the claim is related to products provided by the Contractor, the Contractor further agrees that it shall be liable for the actual costs of attorney fees to defend the State and the monetary amount of any judgments rendered against the State as a result of any such claim.
- E.21. Contractor Personnel. The Contractor shall assign all key personnel identified in RFP Attachment 6.3, Section B.11 of its proposal to complete all of their planned and assigned responsibilities in connection with performance of the obligations of the Contractor under this contract. The State shall have the right to approve the assignment and replacement by the Contractor of all key personnel assigned to provide services, including, without limitation, the project team manager, other individuals named or described in the Contractor's proposal, and individuals assigned significant managerial responsibilities as mutually agreed by the parties. Before assigning an individual to any of these positions, the Contractor shall notify the State of the proposed assignment, shall introduce the individual to the appropriate representatives of the State, and shall provide to the State a resume and any other information about the individual reasonably requested by the State. The State reserves the right to interview the individual before granting approval.

The unauthorized removal of key personnel by the Contractor shall be considered by the state as a material breach of contract and is subject to the terms of Section A.33 above, Performance Standards and Liquidated Damages Assessment.

In the event any one of the Key Personnel is reassigned, becomes incapacitated, or ceases to be employed by Contractor and therefore becomes unable to perform the functions or responsibilities assigned to him or her, Contractor shall (i) within two business days, temporarily replace such person with another person properly qualified to perform the functions of such replaced person, and (ii) within twenty (20) business days, permanently replace such replaced person with another person approved by the State and properly qualified to perform the functions of such replaced person.

The State reserves the right to require the Contractor to replace Contractor and/or subcontractor employees whom the State judges to be incompetent, careless, unsuitable or otherwise objectionable, or whose continued use is deemed contrary to the best interests of the State. Before a written request is issued, authorized representatives of the State and the Contractor will discuss the circumstances. Upon receipt of a written request from an authorized representative of the State, the Contractor shall be required to proceed with the replacement. The replacement request will include the desired replacement date and the reason for the request. The Contractor shall use its best efforts to effect the replacement in a manner that does not degrade service quality. ~~This provision will not be deemed to give the State the right to require the Contractor to terminate any Contractor employee's employment. Rather, this provision is intended to give the State only the right to require that the Contractor discontinue using an employee in the performance of services for the State.~~

- E.22. Contractor Employment of State Personnel Restricted. The Contractor shall not solicit for purposes of employment, make an offer of employment, or employ any current or former State of Tennessee.

employee whose work responsibilities included participating in the Edison project, as either a full time assignment or as part of their duties, until one (1) year after the individual in question is no longer deemed to be a State employee. For purposes of applying this rule, an individual shall be deemed a State employee until such time as all salary, termination pay and payments representing annual leave have been made.

- E.23. State Employment of Contractor Personnel Restricted. The State shall not solicit for purposes of employment, make an offer of employment, or employ any current or former Contractor employee, until one (1) year after the Contract termination date or one (1) year after the individual in question is no longer deemed to be a Contractor employee, whichever comes first. For purposes of applying this rule, an individual shall be deemed a Contractor employee until the effective date of that individual's termination letter to the Contractor.
  
- E.24. COBRA Compliance. The implemented software solution must comply with the Consolidated Omnibus Budget Reconciliation Act (COBRA). The Contractor agrees that it shall be liable for any charges imposed by the Federal Government on the State as a result of any claim related to COBRA compliance, to the extent that such claim is related to products provided by the Contractor.

IN WITNESS WHEREOF:

MAXIMUS, Inc:

*Richard A. Montoni*

7/18/06

Richard A. Montoni, CEO

Date

DEPARTMENT OF FINANCE AND ADMINISTRATION:

*M. D. Goetz, Jr.*

7-20-06

M. D. Goetz, Jr., Commissioner

Date

APPROVED:

DEPARTMENT OF FINANCE AND ADMINISTRATION:

*M. D. Goetz, Jr.*

7-21-06

M. D. Goetz, Jr., Commissioner 82

Date

COMPTROLLER OF THE TREASURY:

*John G. Morgan*

7/25/06

John G. Morgan, Comptroller of the Treasury

Date

## Contract Attachment A

(This attachment has intentionally been left blank. The former Contract Attachment A has been amended and is now RFP Attachment 6.19.)

## Contract Attachment B – ERP Scoping Information

### Att B ERP Scoping Information

#### B.1 Planned timeline and project phasing

The expected timeline for the Implementation phase of the Edison Project is a start date of July 24, 2006, with Human Resources/Payroll functionality going into production with the start of the new calendar year 2008 (January 1, 2008). The State would like to deploy the Financials and Procurement / Logistics functionality in multiple waves, with a balanced schedule of deploying agencies over no more than nine (9) months, favoring the core central agencies first. The State has not assigned criteria yet for which agencies constitute the core, central agencies. The first wave would deploy at the start of the new State fiscal year 2009 (July 1, 2008), and the final wave of agencies would deploy no later than December 31, 2008. A timeframe for deployment waves shorter than nine months will be considered acceptable to the State as well. The State has not scheduled agencies and deployment dates at this time, and is looking to the Contractor for a schedule that best mitigates project risk and allows later deployments to benefit from lessons learned in the earlier waves.

To accommodate normal State business operations, the system will need to be available for production prior to the production dates noted above so that State business commences on those dates. For example, the first payroll check generated in the new system is expected to be the January 15, 2008 payroll. Since the January 15 payroll pays for time worked from December 16 – 31, 2007, employees will need to enter their time and leave information starting December 16, and perhaps earlier. The first wave of financial, procurement and logistics systems will also need to be available before their production start date of July 1, 2008, so that all contracts, purchase orders, budgets, and other related financial data for the new fiscal year are set up, tested and ready for normal business on that agency's production date.

#### B.2 Planned functionality

The Edison Project has documented requirements and business processes in the following applications areas, and is using the following list as its initial scope of functionality for the new Edison system:

- ◆ Human Resources / Payroll
  - Payroll Administration
  - Benefits Administration
  - Classification and Compensation
  - Employee Self-Service
  - Insurance Administration
  - Personnel Administration
  - Timekeeping /Leave Accounting
  - Training/Employee Development
- ◆ Financial Management
  - Accounts Payable
  - Accounts Receivable
  - Budgetary Control
  - Cash Management/Bank Reconciliation
  - Cost Allocation
  - General Ledger
  - Grant Accounting
- Project Management
- Travel

- ◆ Procurement / Logistics
  - Asset Management
  - Fleet Management
  - Inventory
  - Plant Maintenance
  - Purchasing
- ◆ Data Warehouse and Business Data Analysis

### B.3 Project management and approach

#### B.3.1 State's Information Technology Methodology (ITM).

As stated in Contract Sections A.7 and A.8, the Contractor shall utilize the State's ITM in the development of its approach to the Edison Project. Since the State's ITM is defined at a high-level for use on all types and sizes of IT projects, the Contractor shall develop a detailed project management methodology within the guidelines of the State's ITM.

#### B.3.2 Access to the State's ITM.

The State's ITM includes process definitions, guidelines, document deliverable templates, and tools that support two basic categories of processes (a) Project Management Processes and (b) Product Development Methodology. Upon receipt of a Letter of Intent to Propose, the State will provide a web-site and password to allow access to and review of the ITM in its entirety. The ITM web-site has embedded "help text" in the ITM documents, and the State has used the word processor's "Hidden Text" feature. Therefore, the Contractor may want to turn on the Hidden Text feature when viewing ITM documents and templates.

The Project Management Processes category describes the procedures for organizing and controlling the work of the project, which will extend over one or more Product Development Phases. The Product Development Phases describes the processes for developing the Edison Project.

#### B.3.3 Change Order Process

##### B.3.3.1 Principles

The following principles have been defined regarding Change Order management:

- The project scope and any significant changes thereto, particularly those resulting in a Change Order, will be reviewed with and approved by the Project Steering Committee.
- Commitment and adherence to the project scope will be maintained by all project team members.
- All Change Orders will be documented and submitted to the Project Director, who is responsible for oversight of the Change Order process as outlined in this section.

##### B.3.3.2 Change Order Approach

As with project issues, proposed project Change Orders will be reviewed, prioritized, assigned, and resolved. Change Order resolution differs from issue resolution in that there is an impact on project resources, timeline, and/or budget with a Change Order that will require approval. Therefore, a justification for the Change Order must be documented, including development of a cost analysis. Project changes that affect the business processes/system functionality or technical architecture and/or occur after the deliverable/product has been accepted will be researched to determine the impact on the project. Frequently, these particular project issues will require a Change Order.

##### B.3.3.3 Change Order Procedure

Following is a description of each step in the Change Order process.

- **Create & Log Change Order** – The process is initiated by an issue being deemed a Change Order. The request will specify the nature of the change and the business justification for the change (the justification may be preliminary – a further evaluation will be performed as part of the process).
- **Assign Ownership** – Each Change Order request is assigned an owner by the Project Director (or designee) who will be responsible for performing an evaluation of the impact of the change on the

project's budget.

- **Perform Impact Analysis** – Each Change Order request is analyzed to determine its potential impact on the project's budget, resources and schedule within 15 days of its submission. Costs, benefits, impact on quality, staffing and project risk, and the associated timing of each are evaluated and an analysis is prepared for presentation to the Project Steering Committee.
- **Obtain Approvals** – The Cost/Benefit evaluation that is performed during the "Perform Impact Analysis" step in this process is presented to the Project Steering Committee who will approve or reject requested change.
- **Update Project Documentation** – If the Change Order request is accepted/approved, project management moves forward with implementing the change. All necessary project documentation is updated accordingly (i.e., project plan, risk assessment, etc.).

A Change Order request form will be provided by the State.

#### **B.3.3.4 Change Order Escalation**

If a Change Order is logged and properly documented and cannot be resolved within the normal channels or within the required timeframe, the Issue Escalation Process will be initiated, as a Change Order request will be treated the same as any other unresolved project issue. Please see the Issue Escalation Process in the next section, Section 8.3.4.2, of this Attachment.

#### **B.3.4 Issue Resolution Process.**

The following issue resolution process will be used during the Project.

Any issue that comes up during the project that cannot be immediately resolved or requires a decision or action involving those outside the project team will be documented in the project Issues Log. Anyone on the Edison Project team may submit a new issue to the Issues Log. An issue can be a decision or question of any size, small or large, which concerns any part of the project. Only the Project Director (or the Director's delegate) may close an issue, to confirm resolution of the issue before it is no longer tracked.

The Issues Log will allow management to review outstanding questions, decisions and pending actions, and provide guidance on those issues that are of the highest priority. The Issues Log is also a tool used to communicate all project issues to senior management and executive sponsors. If there is an impact on project resources, timeline, and/or budget, then the issue may also require a Change Order (see the previous section, Section B.3.3, on the procedures for Change Orders).

##### **B.3.4.1 Issue Resolution Procedure**

The steps for reporting and resolving a project issue are:

- ♦ **Submit Issue.** All identified issues will be entered into the Issues Log. An issue may be entered by anyone on the Edison Project team. The default issue status will be 'Submitted'. Each issue will be assigned to a category so that the category of issues can be tracked. Examples of issue categories include:
  - Functional – Broken out by functional module
  - Technical
  - Communications
  - Project Scope/Funding
  - Policy/Legal
  - Organizational

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The log will be updated as an issue continues to progress through the process.

- ♦ **Review and Prioritize Issue.** The Project Director (or the Director's delegate) will review a newly submitted issue and determine whether to accept/assign, reject, or defer the issue. Assigned issues will be prioritized based on the impact the issues have, or will have, on the project's progress, and the issues are assigned a target resolution date. For certain categories of issues, such as "Policy/Legal" or "Project Scope/Funding", those issues will be immediately escalated to

the Project Director to be resolved or further escalated, as these will not be resolved at the project team level. Please refer to the Issue Escalation process below. Project management will closely monitor the Issues Log as certain unresolved issues could materially impede the progress of the project.

- ◆ **Assign Issue to an Owner.** The Project Director will assign an accepted issue to an owner who will be responsible for driving the issue to resolution.
- ◆ **Evaluate Resolution Options.** The issue owner will determine and document viable resolution options, and then manage the evaluation of the options, taking into account the pros and cons of each option. The issue owner will be responsible for collaborating with others where necessary to evaluate options and reach a resolution.
- ◆ **Resolve Issue.** The owner will work to resolve the issue by the target resolution date. The typical timeframes for resolving an issue are as follows:
  - High priority issue: 3 days
  - Medium priority issue: 7 days
  - Low priority issue: 10 days

If the issue is not resolved by the target date, then the Project Director may choose to escalate the issue. The owner of the issue will confer with project management to determine the appropriate management escalation action to take. See the Issue Escalation Process below.

- ◆ **Close Issue.** Once an issue has been resolved, it will be assigned a Closed status by the Project Director in the Issues.

If an issue has not been resolved by its assigned target resolution date, then the issue can be automatically escalated. The first level of issue escalation is to the Project Director. Types of issues that will be escalated include:

- ◆ Issues that are past their target resolution date and have an urgency to being resolved;
- ◆ Issues that have a significant impact on the project or organization;
- ◆ Issues that will have a significant impact on project scope;
- ◆ Issues that may result in additional cost to the State; and,
- ◆ Issues that may cause the project schedule to slip or for a deliverable to be critically late.

#### **B.3.4.2 Issue Escalation**

The Project Director may be able to resolve the issue at that level, and address the issue with the support of the original issue owner to reach resolution. If the Project Director is not able to resolve an issue within five days, or if it is an issue that cannot be resolved at the Project Director level, the issue will escalate to the Steering Committee. The issue will be presented to the Steering Committee at its next regular meeting for consideration and resolution.

If the item has not been resolved by the following regular Steering Committee meeting, or if it is an issue that cannot be resolved at the Steering Committee level, then the issue will be escalated to the Executive Sponsors for final resolution. The Executive Sponsors will consider the issue, and make assignments as needed, to expeditiously resolve the issue.

If the urgency of the issue is such that it cannot wait for resolution until the next regular Steering Committee or Executive Sponsors meeting, the Project Director may call a special meeting or arrange a teleconference for consideration of the issue.

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### **B.4 State volume and usage assumptions**

#### **B.4.1 Number of agencies, number of employees**

The Edison system will be implemented statewide. The following chart lists all State departments, agencies, boards and commissions, and their number of employees. This is the current number of

positions as of August 2005. Actual State employment may be less than this number due to vacant positions.

Department Name	Permanent Full Positions	Permanent Part Positions	Seasonal Full Positions	Seasonal Part Positions	Total Positions
Legislative	415	45	64	1	525
Judicial - Courts	704	5	0	0	709
Attorney General	325	0	0	0	325
District Attorney General	931	4	0	0	935
Secretary of State	422	5	0	0	427
District Public Defenders Conference	320	12	0	1	333
Comptroller	617	8	23	0	648
Post Conviction Defender	14	0	0	0	14
Treasury	205	0	0	0	205
Executive	58	0	0	0	58
Commission on Children and Youth	53	2	0	0	55
Commission on Aging & Disabilities	30	0	0	0	30
Alcoholic Beverage Commission	62	3	0	0	65
Human Rights Commission	28	1	0	0	29
Health Services & Development	12	7	0	0	19
TRICOR	196	11	0	0	207
Correctional Institute	10	0	0	0	10
Juvenile and Family Court Judges	5	0	0	0	5
TN Regulatory Authority	81	0	0	0	81
Commission on Intergovernment Relations	16	2	0	0	18
TN Housing Development	199	0	0	0	199
TN Arts Commission	18	0	0	0	18
TN State Museum	36	0	0	0	36
Tax Structure Commission	2	0	0	0	2
Finance and Administration	1,044	1	0	0	1,045
TennCare	455	0	0	0	455
Personnel	115	9	0	0	124
General Services	558	0	0	0	558
Veterans' Affairs	73	0	0	0	73
Probation and Paroles	1,012	0	0	0	1,012
Agriculture	656	3	2	279	940
Tourist Development	141	0	0	0	141
Environment and Conservation	2,415	41	151	424	3,031
TN Wildlife Resources Agency	639	75	0	2	716
Correction	5,342	0	0	0	5,342
Economic and Community Development	211	0	0	0	211
Education	1,099	674	0	0	1,773
Higher Education Commission	38	3	0	0	41
TN Student Assistance Corporation	48	1	0	0	49
Commerce and Insurance	655	131	0	0	786
Financial Institutions	158	0	0	0	158
Labor and Workforce Development	1,578	462	0	0	2,040
Mental Health and Dev. Disabilities	2,858	10	0	0	2,868
Military	433	0	4	8	445
Health	3,135	180	0	0	3,315
Mental Retardation	4,012	0	0	0	4,012
Human Services	5,767	0	0	0	5,767
Revenue	911	18	0	0	929
TN Bureau of Investigation	460	0	0	0	460
Safety	1,887	14	0	0	1,901
Children's Services	4,481	58	0	0	4,539
Transportation	4,928	5	0	0	4,933
<b>Total</b>	<b>49,868</b>	<b>1,790</b>	<b>244</b>	<b>715</b>	<b>52,617</b>

**B.4.2 Training – categories of users, number of users**

In Section B.5.3 below, the State lists its number of State project staff by role in a sample organizational chart. The Contractor shall use this information in creating its training approach and course curriculum recommendations for project team training including State configuration (functional) and technical project team members. Where possible and practical, the Contractor shall schedule the project team training classes in Nashville at a State training site. The cost to implement the Contractor's training plan, with recommendations for project team training, must be included in the total cost for the proposal (not including travel costs that the State might incur if a course is offered somewhere other than Nashville). The proposal must include a minimum of 1500 student/days (12,000 student/hours) of software vendor-provided classroom training for the project team. A student/day is defined as one student attending one full day (8 hours) of classroom training.

Following is a sample end user class curriculum with the estimated class length and estimated number of State end users that would need to be trained for these sample classes. Contractor shall adapt these numbers to its recommended training approach and course curriculum in creating its estimates for this area, including training development and training delivery.

CLASS	EST. HOURS	EST # OF STUDENTS
<b>CBT CLASSES</b>		
Navigation	4	4,000
Employee Self Service	2	50,000
Time Keeping Basic	4	12,000
Time Approver	2	4,000

<b>AGENCY HR/PAYROLL CLASS</b>		
HR/Payroll/Account Overview	2	500
Agency Inquiry and Reports	4	500
Time Management Advanced	8	1,700
Class and Comp	8	150
Position Control	4	100
Training	3	200
Payroll	16	180
Benefits Administration	4	200
Insurance Administration	4	580
Personnel Administration	8	200

<b>CENTRAL HR/PAYROLL CLASS</b>		
Personnel Administration Employee Relations	8	15
Personnel Administration Transactions	8	30
Class/Comp	16	15
Benefits Administration	16	40
Insurance Administration	16	40
Payroll Administration	24	10
Training Administrator	12	15
Time and Leave Administrator	12	30

CLASS	EST. HOURS	EST # OF STUDENTS
<b>CENTRAL FIN/PROC/LOG CLASSES</b>		
Central Accounts Payable Administration	8	40
Central General Ledger	4	20
Central Grants Management	8	20
Purchasing Administration	4	40
Cash Management/Bank Recon	4	20

<b>AGENCY FIN/PROC/LOG CLASSES</b>		
Fin/Proc/Log/Chart of Accounts Overview	3	2,500
Agency Inquiry and Reports	4	2,500
Accounts Payable - Invoice Processing	8	120
Agency General Ledger	8	200
Agency Grants Management	4	150
Agency Accounts Receivable	4	200
Agency Cash Receipt	4	300
Agency Cost Allocation	2	80
Agency Asset Management	8	200
Agency Project Management	8	100
Agency Purchase Order	8	300
Agency Purchase Requisition Approvals	2	400
Agency Purchase Requisitions	8	600
Agency Receiving	4	400
Agency Contracts	8	120
Agency Inventory	4	50
Agency Fleet	4	15
Agency Plant Maintenance/Work Order	8	80

During the project, the Enterprise Readiness (Training) Team will consist of Contractor and State personnel. The Contractor is expected to provide at least thirty-five percent (35%) of the training development and training delivery resources. Training will be delivered to groups of approximately fifteen (15) participants (i.e., normal class size is 15 participants). The proposal must include development and delivery of a minimum of 40 instructor-led courses with an average length of 2 days, for a minimum of 640 course hours.

The Contractor should also assume that a certain amount of the curriculum (in this example, four courses) will be delivered in a non-classroom setting as Computer Based Training (CBT) or a similar format. The costs to acquire and customize, or design and develop, these courses shall be included in the Contractor's staffing and pricing estimates.

### B.4.3 Shared Services

For smaller State agencies (the criteria for inclusion have not been determined at this time), the State is considering a "shared services" model for some or all of the administrative functions within the scope of this RFP. Shared services, in this context, means the consolidation of some administrative functions into a central workgroup, rather than duplicating these functions at each agency.

The State is still evaluating the shared services model. If the model were to be accepted, the expected impact on the Edison project would be positive, as it would likely mean fewer agencies to bring into production and fewer staff to train. The Contractor must not assume that the State will adopt a shared services model or base any costing data on the impact of the potential adoption by the State of the shared services model.

### B.4.4 Sample Transaction Volumes

Listed below, for scoping and sizing estimates, are some key transaction volumes for the State.

Category	Current Count
<b>General Ledger</b>	
Agencies	60
Funds	33
General Ledger Accounts	198
Federal Grants	300
Journal Entries Per Month (no IATs) *	1.6 million sequences (line items)
Journal Vouchers Per Month (IATs)*	325,000 sequences (line items)
<b>Accounts Payable</b>	
Invoices Processed	3 million sequences (line items)
Payments Processed Per Year (including warrants, EFTs, wires, and ACH)	Credit ACH – 1.3 million sequences Warrants – 1.8 million sequences Wire – 600 sequences Debit ACH – 30,000 sequences
Total Vendors Per Accounting System (STARS)	133,892
1099s Per Year	30,000
<b>Asset Management</b>	
Number of Controlled Assets	159,000
Number of commodity item codes	55,000
<b>Payroll/Personnel</b>	
Employees (includes part-time)	46,000
Payroll Warrants/Deposit Advices (paid through SEIS)	46,000 per cycle
Budgeted Positions	49,000
Job Classifications	2,600
Insurance Participants	380,000
<b>Purchasing</b>	
Purchase Orders Issued (per year)	225,000/year
Registered Vendors Per Purchasing System (TOPS)	60,000 active 70,000 total
State Commodity Contracts and non-professional services	1,934
Professional Services Contracts & Other	8,040 active
Professional Services contracts renewed, new, or amended	3,800/year
Professional Services & Other FY 2001/2002	\$2.1 Billion
TOPS Spend FY 2001/2002	\$275 Million

### B.4.5 Summary of Expected Use of Imaging

In RFP Attachment 6.8, ERP Functional Requirements, the State lists in each affected module expected applications where electronic document imaging will be integrated into the State's business processes. For the convenience of the Proposer, the table below summarizes the areas where the State is considering integrating an electronic image of a document into its ERP solution. This is not a comprehensive list, but is intended to give the Proposer a summarized overview of imaging in Edison. As stated in Contract Section A, Scope of Services, the Proposer is responsible for the interoperation and integration of the State's existing ECM (Electronic Content Management) solution with Edison, and is responsible for any configuration of Edison to accommodate inclusion of an imaged document.

Application Name	Document and Description
<b>Benefits</b>	
Insurance Administration	Policy Management
	Hard copy letter received via mail
	Electronic document received via the Internet
	Revised State Plan documentation
	Wellness documents
	Employee Assistance Program documents
	Newsletters
	Enrollment
	Birth Certificate
	Death Certificate
	Divorce Papers
	Contracts
	Requests for proposal
	Vendor proposal
	Vendor supporting documentation
Program contracts	
Supplemental Program Information and documentation	
Flexible Benefits	Enrollment
	Birth Certificate
	Death Certificate
	Divorce Papers
	Medical & Childcare Expenditures
	Receipts for medical service
Deferred Compensation	Receipts for prescriptions
	Childcare payment receipts
	Requests for proposal
	Vendor proposal
Payroll	Vendor supporting documentation
	Program contracts
	Supplemental Program information and documentation
	Self-Servicing
	W-4 forms
	W-5 forms
	Direct Deposit forms
	Voided Checks
	Charitable Contribution Cards
	Liens
Additional Payments	
Retroactive Pay documents	
Housing Allowance documents	
Fringe Benefits	
Travel logs	
Housing Documents	
Miscellaneous	
Charge Tips	
Death Certificates	
Voided Checks	
Archival Only	Supporting documents for court reporters
	Pay stub copies
	Year-End W-2s
	Year End W-2Cs

Application Name	Document and Description
<b>Personnel</b>	
Personnel Actions	Supporting documentation, i.e., letters, forms, etc.
Employee Files	Employee separated files
Performance Evaluations	Employee performance evaluation forms
Sick Leave Bank	Employee enrollment forms
	Employee enrollment notification email
<b>Procurement</b>	
Purchasing	Technical specifications
	Budgeting or planning documents
	Other requisition supporting documents
	Request for proposal
	Solicitation supporting materials
Solicitation Process	Purchase orders
	Proposals
	Question & Answer documentation
	Vendor financial statements
Asset Management	Other supporting documentations
	Videos of bidders conferences
	Policy reports
Department of Transportation	Land plots
	Appraisals
	Bonds
	Insurance documents
Grants Management	Photo-documentation
	Federal Grant applications
	Work orders
	Parts list
	Repair instructions
Maintenance	Resource assignment
	Road maps
	County maps
	Manuals and regulation documents
Additional Content Management	Driven videos
	Bridge Structure Division
	Plans
	Diagrams
	Signoff documentation
	Inspection sheets
	Maps
	Environmental Planning documents
	Right of Way Department
	Land Titles
Deeds	
Plot plans	
Financials	Department of Personnel
	Applications
	Resumes
	Educational documents
Financials	Invoices
	Cover documents
	W-9 forms
	ACH authorization forms
	Journal voucher support
	Deposit slips

**B.4.6 Sample of Geographic Dispersion of Users**

Following is a list of current system users by county for key systems for the State of Tennessee. This illustrates the geographic dispersion of end users across the State.

County	Location	TDOT			Time & Labor	
		TOPS	STARS	STARS	Attdnc	Tmsht
Anderson	East	8	0	8	112	37
Bledsoe	East	16	0	10	360	4
Blount	East	1	6	0	78	11
Bradley	East	3	1	1	93	13
Campbell	East	8	13	4	49	17
Carter	East	7	5	6	135	18
Clarborne	East	0	1	0	21	4
Cocke	East	0	14	0	31	5
Cumberland	East	7	12	6	53	14
Fentress	East	5	0	0	23	1
Grainger	East	0	0	0	15	1
Greene	East	18	4	17	174	19
Hamblen	East	6	11	6	153	18
Hancock	East	0	0	0	6	0
Hawkins	East	0	0	0	41	8
Jefferson	East	4	0	3	55	6
Johnson	East	10	0	4	471	4
Knox	East	43	98	32	692	151
Loudon	East	0	0	0	20	3
McMinn	East	0	0	1	38	10
Meigs	East	0	0	0	7	0
Monroe	East	2	0	1	36	7
Morgan	East	14	0	8	447	3
Pickett	East	3	0	2	7	3
Polk	East	3	0	3	12	6
Rhea	East	0	0	0	25	7
Roane	East	0	11	0	37	6
Scott	East	0	0	0	25	5
Sevier	East	0	0	1	41	10
Sullivan	East	8	2	5	150	37
Unicoi	East	0	0	0	15	4
Union	East	5	0	3	13	2
Washington	East	10	21	8	242	42
Bedford	Middle	4	0	0	54	9
Cannon	Middle	0	0	0	7	0
Cheatham	Middle	1	0	0	10	1
Clay	Middle	0	0	0	6	1
Coffee	Middle	12	13	6	97	19
Davidson	Middle	752	431	1,081	7,072	2,976
Deklab	Middle	3	0	1	21	7
Dickson	Middle	7	0	5	54	14
Franklin	Middle	3	1	3	33	7
Giles	Middle	1	0	1	22	5
Grundy	Middle	2	0	2	18	1
Hamilton	Middle	25	74	26	508	114
Hickman	Middle	9	0	4	325	0
Houston	Middle	0	0	0	7	1
Humphreys	Middle	1	10	0	15	6

County	Location	TDOT			Time & Labor	
		TOPS	STARS	STARS	Attdnc	Tmsht
Jackson	Middle	0	0	0	9	2
Lawrence	Middle	5	10	2	54	22
Lewis	Middle	0	0	0	14	3
Lincoln	Middle	0	0	0	27	4
Macon	Middle	0	0	0	12	0
Marion	Middle	1	0	1	30	9
Marshall	Middle	5	10	2	22	11
Maury	Middle	3	4	10	174	35
Montgomery	Middle	4	8	4	213	25
Moore	Middle	0	0	0	2	0
Overton	Middle	3	5	3	21	4
Putnam	Middle	12	15	14	189	53
Robertson	Middle	0	0	0	44	11
Rutherford	Middle	8	4	10	250	28
Sequalchie	Middle	1	9	1	10	1
Smith	Middle	0	0	0	19	2
Stewart	Middle	0	0	0	5	0
Sumner	Middle	3	9	1	88	8
Trousdale	Middle	0	0	0	4	0
Van Buren	Middle	5	0	3	11	8
Warren	Middle	2	2	2	43	12
Wayne	Middle	8	0	5	169	0
White	Middle	0	0	1	15	4
Williamson	Middle	0	0	0	45	7
Wilson	Middle	5	0	4	49	9
Unknown	Unknown	50	37	34	322	32
Benton	West	2	6	1	24	3
Carroll	West	0	11	0	109	14
Chester	West	2	0	1	15	5
Crockett	West	0	0	0	8	1
Decatur	West	0	0	0	12	0
Dyer	West	2	10	3	75	11
Fayette	West	3	0	3	47	2
Gibson	West	2	3	3	61	20
Hardeman	West	10	0	12	38	17
Hardin	West	7	0	5	35	11
Haywood	West	1	5	0	25	8
Henderson	West	12	0	9	54	14
Henry	West	9	0	5	51	20
Lake	West	18	0	10	631	7
Lauderdale	West	16	0	10	406	8
Madison	West	22	77	21	328	82
McNairy	West	2	12	1	20	2
Obion	West	1	0	3	34	10
Perry	West	2	2	2	6	3
Shelby	West	43	20	35	1,544	166
Tipton	West	0	2	0	41	8
Weakley	West	1	0	5	59	3
<b>Total</b>		<b>1,271</b>	<b>989</b>	<b>1,484</b>	<b>17,390</b>	<b>4,342</b>

#### B.4.7 Usage for Key Systems

Listed below, for scoping and sizing estimates, are staff resource counts involved with current legacy systems. More information on these legacy systems can be found in RFP Attachment 6.14, Background on Existing State Administrative Systems. This is a summary of approximate total end users by system, number of ISM support staff (provide application support, custom reporting, application testing, etc.) for each system, and number of programmers devoted to each system.

	<b>Users</b>	<b>ISM</b>	<b>Prgmrs</b>
SEIS/Payroll	339	3	0.5
TIS	781	4	4
TOPS	1400	2	1
POST	921	2	1
SEIS/Personnel	1060	7	1
STARS	1664	3	1
Data Capture	16,231	1	0.5
T-STARS	990	3	9
Data Warehouse	483	2	3

#### B.5 State Resources to be Provided

##### B.5.1 Facilities and equipment to be provided by State

All Edison Project staff will be located in Nashville, Tennessee at a State-provided facility. Contractor may assume that the State will provide adequate office space, network connections, Internet access, telephone access and copier access for the implementation project team. If any staff from the Contractor's team require special accommodations for a handicap or work limitation, please note that in the staffing response. The Contractor must provide administrative support to its project team, including:

- ◆ Personal computer hardware, Microsoft Office suite software, and any specialized software required as part of the proposed solution and in accordance with State standards (see RFP Attachment 6.11, Section 6.11.1);
- ◆ Long distance telephone call charges;
- ◆ Parking charges; and,
- ◆ Any required clerical support for Contractor project team members.

Programming and other software development activities required for the proposed software to meet the baseline functional and technical requirements will be performed at the State project facility in Nashville. Any costs associated with modifying the software to meet baseline requirements must be included in the Cost Proposal.

##### B.5.2 Training Environment to be Provided by State

The Contractor should assume that the State will provide appropriate training facilities for project team, technical team, end user and executive training. Project team and technical team training may occur at a site other than a State facility. The Contractor shall not include any facility costs associated with training end users and/or executives.

##### B.5.3 Personnel and Support Services to be Provided by State

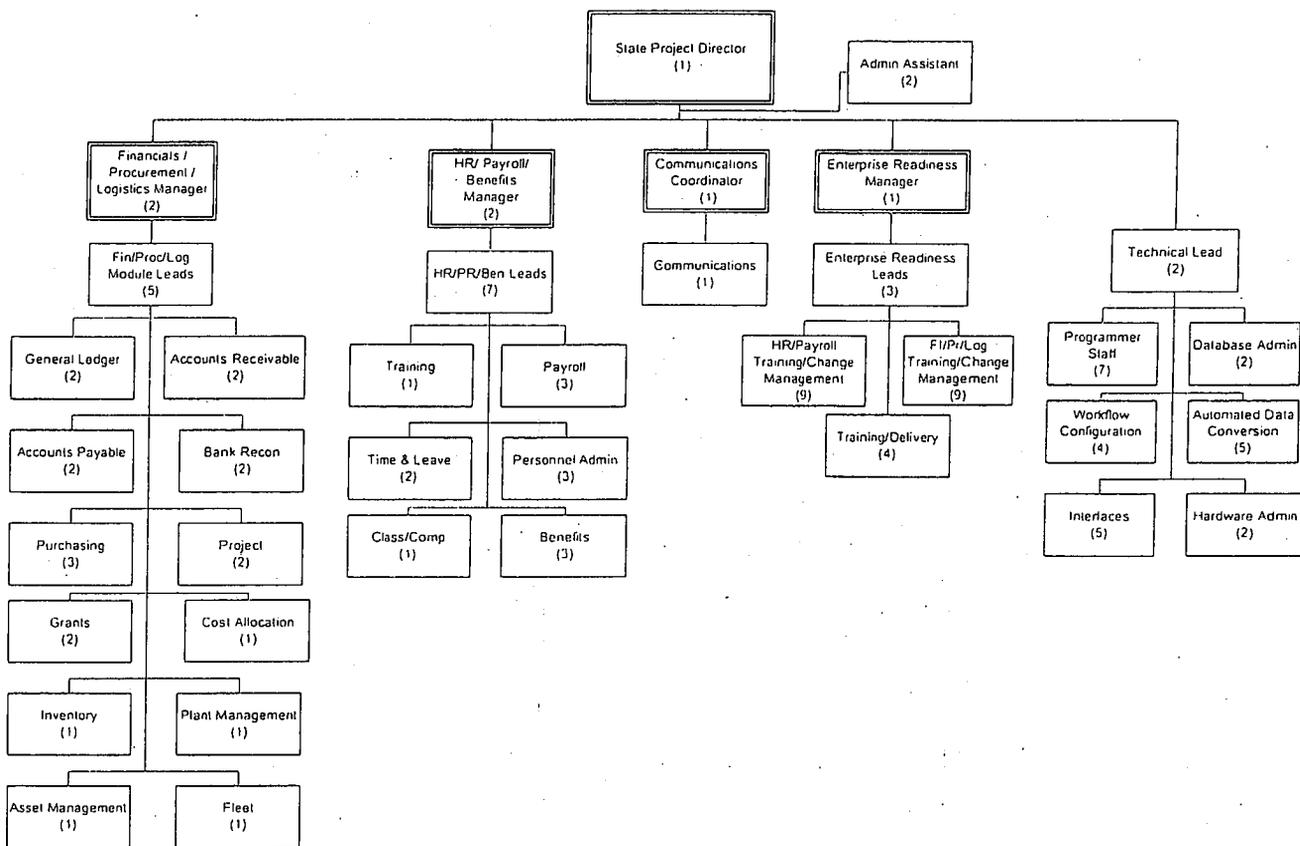
Unless otherwise agreed by the State and Contractor, all project work staff will normally be available on-site for project work from 8 am to 5 pm Monday through Friday. The State and Contractor both recognize that there will likely be times during the project implementation when overtime will be required.

The State anticipates providing the following State resources for the project. The State is making a considerable investment in this new administrative systems project, and expects the Contractor's full support in preparing the State to operate and maintain the system with State personnel exclusively by the

conclusion of the Contractor's engagement. To that end, the State is assigning sufficient State staff to the project to both implement the system and to provide functional and technical leadership at State agencies when the systems are in production. As stated in RFP Attachment 6.12, the State is looking for the Contractor to provide a comprehensive plan for knowledge transfer and mentoring by Contractor staff throughout the project, not just at system deployment.

In the event any listed resources are unavailable or become unavailable during the term of the contract, the State will reasonably cooperate with the Contractor to determine an equitable re-apportionment of duties.

The State's resources for the Edison Project are summarized on the following project organization chart. In this summarized chart, the major project roles are shown, and the expected number of State staff who will be assigned in those roles are detailed. The Contractor may expect that some of the State staff assigned to the project will be experienced subject matter experts, and some will be junior staff, either relatively new to this area or new to State employment.



As directed in RFP Attachment 6.3, Section B.10, the Contractor's response to that section includes the development of a new project organization chart, based on the chart above but with the addition of the Contractor's staff. Recognizing that not all Contractor (or State) staff will be assigned to the project from project initiation through the end of the post-implementation period, the chart shall reflect all Contractor staff who will serve on the project, regardless of their duration of service on the project.

## Contractor Project Team

### B.1.1 State Requirements for Roles Filled by Contractor Staff

Listed below are the levels of responsibility and associated levels of experience that the State requires for staff assigned to the project by the Contractor.

#### B.1.1.1 Project Manager

- ◆ Daily Management
  - Manages the project activities of the functional and technical teams
  - Provides leadership and guidance to manager and lead consultants
  - Ensures consistency between engagement objectives and project plan
  - Supervises knowledge transfer between consultants and State of Tennessee personnel
  - Provides insights into implementing the Edison system and transforming the State's business practices
- ◆ Resourcing
  - Obtains appropriate resources as needed to staff the project
  - Allocates and deploys implementation team resources as required
- ◆ Issue and Risk Management
  - Assists with managing overall project risk
  - Supports issue resolution
- ◆ Communications
  - Serves as a liaison to the Steering Committee and other oversight entities
  - Reports overall project status
- ◆ Required Knowledge/Skills
  - Exhibits management skills
  - Exhibits ERP system skills
  - Applies strong leadership, communication, and listening skills
  - Capably manages people in stressful situations
  - Maintains integration between functional, technical and support teams
  - Acts as both a leader and a coach to project team members
- ◆ Experience
  - 10 years experience implementing software systems
  - 5 years experience implementing the proposed software package
  - 3 years experience as a project manager implementing the proposed software package in the public sector

#### B.1.1.2 Deputy Project Manager

- ◆ Daily Management
  - Assists with the management of the functional and technical team's project activities
  - Assists with reporting overall project status
  - Assists with the maintenance of the project plan
  - Supervises knowledge transfer between consultants and Tennessee personnel
  - Provides insights into implementing the Edison system and transforming the State's business practices
- ◆ Resourcing
  - Allocates and deploys implementation team resources as required
- ◆ Issue and Risk Management
  - Assists with managing overall project risk
  - Supports issue resolution
- ◆ Required Knowledge/Skills
  - Exhibits management skills
  - Exhibits ERP system skills
  - Applies strong leadership, communication, and listening skills
  - Capably manages people in stressful situations
  - Maintains integration between functional, technical and support teams
  - Acts as both a leader and a coach to project team members
- ◆ Experience

- 8 years experience implementing software systems
- 4 years experience implementing the proposed software package
- 3 years experience as a project manager implementing the proposed software package in the public sector

#### B.1.1.3 Configuration Manager

- ◆ Management
  - Reports to Project Leadership
  - Manages day-to-day team activities of the Finance, Logistics, Procurement, Human Resources or Payroll teams
  - Provides team leadership and guidance
  - Ensures knowledge transfer between consultants and Tennessee personnel
  - Directs consultant resources
- ◆ Functional Activities
  - Provides ERP application knowledge
  - Assists with technical specifications
  - Supports interface and conversion activities
- ◆ Issue and Risk Management
  - Assists in identifying and resolving issues
- ◆ Required Knowledge/Skills
  - Exhibits management skills
  - Exhibits ERP system skills
  - Applies strong leadership, communication, and listening skills
  - Capably manages people in stressful situations
  - Maintains integration between other functional and support teams
  - Acts as both a leader and a coach within the functional teams as appropriate
- ◆ Experience
  - 8 years experience implementing software systems
  - 5 years experience implementing the proposed software package
  - 3 years experience as a lead consultant implementing the proposed software package in the public sector

#### B.1.1.4 Configuration Lead

- ◆ Management
  - Supports the lead consultant in managing the day-to-day team activities
  - Provides functional area leadership and guidance
  - Provides knowledge transfer between consultants and Tennessee personnel
  - Directs functional area consultant and state resources, in coordination with the State lead.
- ◆ Functional Activities
  - Provides ERP application knowledge
  - Assists with technical specifications
  - Supports interface and conversion activities
  - Leads functional area configuration and implementation efforts
- ◆ Issue and Risk Management
  - Assists in identifying and resolving issues
- ◆ Required Knowledge/Skills
  - Exhibits management skills
  - Exhibits ERP system skills
  - ~~Applies strong leadership, communication, and listening skills~~
  - Capably manages people in stressful situations
  - Maintains integration between other functional and support teams
  - Acts as both a leader and a coach within the functional teams as appropriate
- ◆ Experience
  - 7 years experience implementing software systems
  - 4 years experience implementing the proposed software package

- 3 years experience as a senior consultant implementing the proposed software package in the public sector

#### B.1.1.5 Configuration Consultant

- ◆ Functional Activities
  - Maps requirements to the system and configures the system to meet those requirements
  - Provides recommendations on best practices, and engages in knowledge transfer to the team
  - Assists team members in the completion of specific deliverables related to Edison design and configuration
  - Carries out ongoing knowledge transfer activities
  - Provides facilitation and team building support within the process team
  - Acts as an effective link between the functional team, the technical team, the training team, and the change management team
  - Tracks and validates the realization of benefits throughout the project
  - Provides post-implementation support
- ◆ Required Knowledge/Skills
  - Demonstrates presentation, oral, and written communication skills
  - Possesses strong organizational skills
  - Makes timely decisions
  - Manages activities proactively
  - Provides significant ERP implementation experience
  - Demonstrates knowledge of the implementation methodology
  - Possesses knowledge of one or more ERP modules for which they are responsible
- ◆ Experience
  - 5 years experience implementing software systems
  - 3 years experience implementing the proposed software package
  - 2 years experience as a consultant implementing the proposed software package in the public sector

#### B.1.1.6 Technical Manager

- ◆ Management
  - Manages the completion of technical project deliverables and is responsible for the overall system technical architecture
  - Work with the Project Managers to complete the technical requirements planning, and manage the technical scope and resources schedule
  - Participates in the development of detailed team workplan
  - Provides facilitation and team building support within the project team
  - Assists team members in the completion of specific deliverables related to the Edison technical environment
  - Carries out ongoing knowledge transfer activities
- ◆ Technical Activities
  - Applies knowledge, experience, and expertise in technology
  - Assists with technology infrastructure, including:
    - Selection
    - Sizing and acquisition of hardware
    - Installing, configuring, testing, tuning and supporting the software package
    - Establishing technical procedures and standards
- ◆ Support
  - ~~Acts as an effective link between the technical, change, training and functional teams~~
  - Works with functional teams for appropriate coordination in design, development, and testing of programs
  - Responsible for software development and data implementation including: interfaces, data conversions, and reports
- ◆ Required Knowledge/Skills
  - Demonstrates presentation, oral, and written communication skills

- Possesses strong organizational skills
- Makes timely decisions
- Manages activities proactively
- Provides significant ERP implementation experience
- Demonstrates knowledge of the implementation methodology
- Possesses knowledge of one or more of the proposed development tools
- ◆ Experience
  - 8 years experience implementing software systems
  - 5 years experience implementing the proposed software package as a lead programmer/technical manager

#### **B.1.1.7 Technical Lead**

- ◆ Management
  - Creates development and naming standards for forms and reports
  - Mentors other programmers and members of the development team
  - Assists other programmers and team members with resolving technical issues
- ◆ Development
  - Creates technical specifications for programs
  - Develops/tests conversion programs, interfaces, custom reports, and enhancements
  - Follows development and naming standards for forms and reports
  - Creates technical documentation for all development efforts
  - Has strong analytical skills
  - Works well in diversified teams
- ◆ Required Knowledge/Skills
  - Demonstrates presentation, oral, and written communication skills
  - Possesses strong organizational skills
  - Makes timely decisions
  - Manages activities proactively
  - Provides significant ERP implementation experience
  - Demonstrates knowledge of the implementation methodology
  - Possesses knowledge of one or more of the proposed development tools
- ◆ Experience
  - 5 years experience developing programs using the proposed software language

#### **B.1.1.8 Technical Consultant**

- ◆ Development
  - Creates technical specifications for programs
  - Develops/tests conversion programs, interfaces, custom reports, and enhancements
  - Follows development and naming standards for forms and reports
  - Creates technical documentation for all development efforts
  - Has strong analytical skills
  - Works well in diversified teams
- ◆ Required Knowledge/Skills
  - Demonstrates written communication skills
  - Possesses strong organizational skills
  - Makes timely decisions
  - Provides ERP implementation experience
  - Demonstrates knowledge of the implementation methodology
  - Possesses knowledge of one or more of the proposed development tools
- ◆ Experience
  - 3 years experience developing programs using the proposed software development tools

#### **B.1.1.9 Training/Change Management Manager**

- ◆ Management
  - Directs consulting team resources

- Develops and implements organizational change management plan, including: sponsorship, communication, user involvement, and transition management
- Identifies and leads extended team of "change agents" representing the agencies
- ◆ Training/Change Management
  - Demonstrates excellent presentation, oral, and written communication skills
  - Possesses strong organizational skills
  - Makes timely decisions
  - Manages activities proactively
  - Establishes working relationships with multiple agencies
  - Works effectively with all levels of the organization, ranging from executive members to user community
  - Works with process design teams to develop new job designs, organizational models and performance measures
  - Demonstrates strong communication skills
  - Views "big picture" of the project goals and vision, while performing detailed tasks
  - Possesses strong time management skills and multi-tasking capabilities
  - Develops materials for business concept training as well as system training
  - Ensures timely and accurate reviews of training materials
  - Holds train-the-trainer classes
- ◆ Required Knowledge/Skills
  - Demonstrates presentation, oral, and written communication skills
  - Possesses strong organizational skills
  - Makes timely decisions
  - Manages activities proactively
  - Provides significant ERP implementation experience
  - Demonstrates knowledge of the implementation methodology
- ◆ Experience
  - 3 years experience as a change/management training lead
  - 5 years experience as a change management/training consultant
  - 3 years experience as a change management/training consultant on projects where the proposed package has been implemented.

#### B.1.1.10 Training Consultant

- ◆ Management Activities:
  - Supports the team lead in managing the day-to-day activities of the team
- ◆ Training/Change Management
  - Assists in development of process change, communication, and training deliverables
  - Identifies and resolves issues
  - Conducts train-the-trainer classes
  - Supplies experience in development of training materials, or process change and communications activities
  - Possesses good analytical skills
  - Demonstrates presentation, oral, and written communication skills
  - Possesses strong organizational skills
  - Makes timely decisions
  - Manages activities proactively
  - Provides implementation experience
  - Demonstrates knowledge of the implementation methodology and other tools
- ◆ Required Knowledge/Skills
  - Demonstrates excellent presentation, oral, and written communication skills
  - Possesses strong organizational skills
  - Makes timely decisions
  - Manages activities proactively
  - Provides ERP implementation experience
  - Demonstrates knowledge of the implementation methodology
- ◆ Experience

- 3 years experience as a training consultant
- 1 year experience as a training consultant on projects where the proposed package has been implemented.

### **B.1.2 Software Vendor Consultant Hours**

As part of the staffing for the project team, the State requires the Contractor to include at least three (3) FTEs of consultant time from the primary software vendor. The Contractor staffing plan shall include at least one consultant from the primary software vendor in the HR/Payroll business area, one consultant in the Financials/Procurement/Logistics business area and one in the Technical area. Contractor may place these consultants in the project organization chart at its discretion.

## **B.2 Implementation and Project Assumptions**

This section sets out the assumptions on which the project scope is based, and describes ways in which the assumptions are expected to be used as a tool for project management, scope management and change control.

The assumptions are as follows:

1. As shown Section B.5.3 above, the State is providing a significant number of full-time State resources to the Project, and expects to be working side-by-side with the Contractor staff throughout the implementation.
2. The plan assumes a post-implementation support period of no more than 6 months following the HR/Payroll production date, and no more than 3 months following the final wave of the Financial/ Procurement/ Logistics production date. By the end of this post-implementation support period, Contractor's knowledge transfer procedures will have adequately prepared State resources to operate and maintain the system on a normal basis. Additionally, the State expects up to 3 months of on-site support at the first calendar year-end, and 3 months of on-site support at the first fiscal year-end.
3. All rates and fees quoted by the Contractor in response to this RFP, including the project fixed-fee cost and hourly rates for project change orders, must include all travel, lodging, meals and similar expenses for the Contractor's staff.
4. Work considered to be outside the scope of the quoted Total Project Cost presented in RFP Attachment 6.5, Cost Proposal, may be contracted by the State with the Contractor on an hourly basis based upon the fees quoted in the Cost Proposal for Change Order Rates.
5. As stated in Section B.6.2 above, at least three consultant FTE of the total delivered Contractor staff for the project must be consultants of the primary software vendor.
6. All work under this contract will be performed at the specified State work site unless the State grants prior written approval.
7. Any required upgrades to the statewide hardware environment and networking infrastructure are the responsibility of the State.
8. The State will be responsible for providing updates and fixes to any State-provided State-standard software, including operating system and database management software. The Contractor will certify the Edison system for operation with the State-applied updates and fixes.
9. Since the HR/Payroll functions are scheduled to go into production six months prior to the Financial/ Procurement/ Logistics functions, the Contractor will be required to create temporary interfaces from the HR/Payroll modules of Edison to the State's legacy systems as needed. Also, depending on the schedule of deployment for Financial/ Procurement/ Logistics functions, the deployment waves for this stage could create the need for temporary interfaces from legacy systems to Edison.
10. It is anticipated that the legacy Budget System will be used to produce appropriation budget transactions to be loaded in the new system for the initial biennium.
11. The State desires to minimize software modifications to the maximum extent possible. The Contractor will recommend procedural changes to the State where possible in lieu of software modifications. The State is willing to change business processes to the greatest extent possible for areas where the packaged software does not conform to the way the State conducts business.

12. It is assumed that a full-time equivalent number of hours per year is 2,016 and the FTE for a month is 168.
13. Contractor will be responsible for applying any needed patches/fixes to the applications during the implementation period and until the end of post-implementation support for each module.
14. Help desk support to end users will be provided primarily by State personnel, with Contractor staff providing support to the help desk through the end of the post-implementation support period.
15. State will implement the current generally available version of the Vendor software that is available one month after the System Design is completed. It is assumed that the State will not upgrade to a new release or version during the implementation.
16. During the System Design stage, the final version of the Contractor's response to the Functional Requirements Matrix will be used as a guide to help design the State's new business processes. Once approved, the System Design will be the final scope document for configuration and implementation purposes.
17. During conversion, reconciliation of data (i.e., "data cleansing") will be done by State personnel prior to the data conversion into the Edison system. Contractor will be responsible for supervision of these data cleansing activities by the State. State will be responsible for the entry and reconciliation of data that will be input manually.
18. The State will perform all manual conversion processes. Manual conversions will be identified during Stage 2: Analysis/Design and they can be classified as "manual" when the volume is too low to justify the cost of developing an automated conversion program. For example, for areas that have low volumes of data (e.g. open requisitions), the State would develop a manual procedure and have personnel manually enter this information into proposed Edison system.
19. All training materials will be developed in English, and a single master of the training materials (electronic and paper) will be provided to the State. The State will be responsible for all further reproduction of the end user training materials for its internal needs
20. It is assumed that Contractor and State will resolve all potential issues affecting the implementation schedule at the lowest level possible (see issue resolution process above, Section B.3.4). All project issues will be documented on an issues log and will be reported in project management status reports. All policy decisions and project issues requiring resolution will be resolved by the Steering Committee and/or Project Sponsors and the Project Management team (both Contractor and State) in a timely manner in order to keep the project on track.
21. All Project team members will refer any and all media contacts to the State Project Director in order to ensure accuracy of response.
22. As stated in the State's technical standards, current Microsoft Office products will be standard for the project and will be used by all team members in the creation of deliverables for the project. Microsoft Visio will be used for process maps and other graphics documents; Microsoft Project will be the standard for Project plans.
23. Appropriate environments will be established as specified in RFP Attachment 6.1, *Pro Forma* Integrator Contract, Section A.21.a.7.
24. The State will correct faults and outages in any component of the hardware or network environments or other equipment, software and materials made available by State to the Project Team in a manner that will not impact the Project schedule.

# Contract Attachment C – Acceptable Use Policy

## STATE OF TENNESSEE

### Acceptable Use Policy Network Access Rights and Obligations

#### Purpose:

To establish guidelines for State-owned hardware and software, computer network access and usage, Internet and email usage, telephony, and security and privacy for users of the State of Tennessee Wide Area Network.

#### Reference:

*Tennessee Code Annotated, Section 4-3-5501, et seq.*, effective May 10, 1994.

*Tennessee Code Annotated, Section 10-7-512*, effective July 1, 2000.

*Tennessee Code Annotated, Section 10-7-504*, effective July 1, 2001.

*State of Tennessee Security Policies.*

#### Objectives:

- Ensure the protection of proprietary, personal, privileged, or otherwise sensitive data and resources that may be processed in any manner by the State, or any agent for the State.
- Provide uninterrupted network resources to users.
- Ensure proper usage of networked information, programs and facilities offered by the State of Tennessee networks.
- Maintain security of and access to networked data and resources on an authorized basis:
- Secure email from unauthorized access.
- Protect the confidentiality and integrity of files and programs from unauthorized users.
- Inform users there is no expectation of privacy in their use of State-owned hardware, software, or computer network access and usage.
- Provide Internet and email access to the users of the State of Tennessee networks.

#### Scope:

This Acceptable Use Policy applies to all individuals who have been provided access rights to the State of Tennessee networks, State provided email, and/or Internet via agency issued network or system User ID's. The scope does not include State phone systems, fax machines, copiers, State issued cell phones or pagers unless those services are delivered over the State's IP network.

#### Use and Prohibitions:

##### A. Network Resources

State employees, vendors/business partners/subrecipients, local governments, and other governmental agencies may be authorized to access state network resources to perform business functions with or on behalf of the State. Users must be acting within the scope of their employment or contractual relationship with the State and must agree to abide by the terms of this agreement as evidenced by his/her signature. It is recognized that there may be incidental personal use of State Network Resources. This practice is not encouraged and employees should be aware that all usage may be monitored and that there is no right to privacy. Various transactions resulting from network usage are the property of the state and are thus subject to open records laws.

##### Prohibitions

- Sending or sharing with unauthorized persons any information that is confidential by law, rule or regulation.
- Installing software that has not been authorized by the Office for Information Resources of the Department of Finance and Administration.
- Attaching processing devices that have not been authorized by the Office for Information Resources of the Department of Finance and Administration.
- Using network resources to play or download games, music or videos that are not in support of business functions.

- Leaving workstation unattended without engaging password protection for the keyboard or workstation.
- Utilizing unauthorized peer-to-peer networking or peer-to-peer file sharing.
- Using network resources in support of unlawful activities as defined by federal, state, and local law.
- Utilizing network resources for activities that violate conduct policies established by the Department of Personnel or the Agency where the user is employed or under contract.

## **B. Email**

Email and calendar functions are provided to expedite and improve communications among network users.

### **Prohibitions**

- Sending unsolicited junk email or chain letters (e.g. "spam") to any users of the network.
- Sending any material that contains viruses, Trojan horses, worms, time bombs, cancel bots, or any other harmful or deleterious programs.
- Sending copyrighted materials via email that is either not within the fair use guidelines or without prior permission from the author or publisher.
- Sending or receiving communications that violate conduct policies established by the Department of Personnel or the Agency where the user is employed or under contract.
- Sending confidential material to an unauthorized recipient, or sending confidential e-mail without the proper security standards (including encryption if necessary) being met.

Email created, sent or received in conjunction with the transaction of official business are public records in accordance with T.C.A 10-7-301 through 10-7-308, and the rules of the Public Records Commission. A public record is defined as follows:

*"Public record(s)" or "state record(s)" means all documents, papers, letters, maps, books, photographs, microfilms, electronic data processing files and output, films, sound recordings or other material, regardless of physical form or characteristics made or received pursuant to law or ordinance or in connection with the transaction of official business by any governmental agency. (T.C.A. 10-7-301 (6)).*

State records are open to public inspection unless they are protected by State or Federal law, rule, or regulation. Because a court could interpret state records to include draft letters, working drafts of reports, and what are intended to be casual comments, be aware that anything sent as electronic mail could be made available to the public.

## **C. Internet Access**

Internet access is provided to network users to assist them in performing the duties and responsibilities associated with their positions.

### **Prohibitions**

- Using the Internet to access non-State provided web email services.
- Using Instant Messaging or Internet Relay Chat (IRC).
- Using the Internet for broadcast audio for non-business use.
- Utilizing unauthorized peer-to-peer networking or peer-to-peer file sharing.
- Using the Internet when it violates any federal, state or local law.

## **Statement of Consequences**

Noncompliance with this policy may constitute a legal risk to the State of Tennessee, an organizational risk to the State of Tennessee in terms of potential harm to employees or citizen security, or a security risk to the State of Tennessee's Network Operations and the user community, and/or a potential personal

liability. The presence of unauthorized data in the State network could lead to liability on the part of the State as well as the individuals responsible for obtaining it.

**Statement of Enforcement**

Noncompliance with this policy may result in the following immediate actions.

1. Written notification will be sent to the Agency Head and to designated points of contact in the User Agency's Human Resources and Information Technology Resource Offices to identify the user and the nature of the noncompliance as "cause". In the case of a vendor, subrecipient, or contractor, the contract administrator will be notified.
2. User access may be terminated immediately by the Systems Administrator; and the user may be subject to subsequent review and action as determined by the agency, department, board, or commission leadership, or contract administrator.

STATE OF TENNESSEE

Acceptable Use Policy  
Network Access Rights and Obligations  
User Agreement Acknowledgement

As a user of State of Tennessee data and resources, I agree to abide by the Acceptable Use Network Access Rights and Obligations Policy and the following promises and guidelines as they relate to the policy established:

1. I will protect State confidential data, facilities and systems against unauthorized disclosure and/or use.
2. I will maintain all computer access codes in the strictest of confidence; immediately change them if I suspect their secrecy has been compromised, and will report activity that is contrary to the provisions of this agreement to my supervisor or a State-authorized Security Administrator.
3. I will be accountable for all transactions performed using my computer access codes.
4. I will not disclose any confidential information other than to persons authorized to access such information as identified by my section supervisor.
5. I agree to report to the Office for Information Resources (OIR) any suspicious network activity or security breach.

Privacy Expectations

The State of Tennessee actively monitors network services and resources, including, but not limited to, real time monitoring. Users should have no expectation of privacy. These communications are considered to be State property and may be examined by management for any reason including, but not limited to, security and/or employee conduct.

I acknowledge that I must adhere to this policy as a condition for receiving access to State of Tennessee data and resources.

I acknowledge that I have read the Computer Crimes Act and the State of Tennessee Security Policy 4.00 Access. I understand the willful violation or disregard of any of these guidelines, statute or policies may result in my loss of access and disciplinary action, up to and including termination of my employment, termination of my business relationship with the State of Tennessee, and any other appropriate legal action, including possible prosecution under the provisions of the Computer Crimes Act as cited at TCA 39-14-601 et seq., and other applicable laws.

I have read and agree to comply with the policy set forth herein.

R. Montani  
Type or Print Name  
R. Montani  
Signature

4298  
Last 4 digits of Social Security Number  
7/18/06  
Date

## Contract Attachment D – HIPAA Business Associate Agreement

### HIPAA BUSINESS ASSOCIATE AGREEMENT COMPLIANCE WITH PRIVACY AND SECURITY RULES

THIS BUSINESS ASSOCIATE AGREEMENT (hereinafter "Agreement") is between The State of Tennessee, Department of Finance and Administration (hereinafter "Covered Entity") and MAXIMUS (hereinafter "Business Associate"). Covered Entity and Business Associate may be referred to herein individually as "Party" or collectively as "Parties."

#### BACKGROUND

Covered Entity acknowledges that it is subject to the Privacy and Security Rules (45 CFR Parts 160 and 164) promulgated by the United States Department of Health and Human Services pursuant to the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Public Law 104-191 in certain aspects of its operations.

Business Associate provides services to Covered Entity pursuant to one or more contractual relationships detailed below and hereinafter referred to as "Service Contracts"

Contract Awarded Pursuant to RFP #317.03-134

In the course of executing Service Contracts, Business Associate may come into contact with, use, or disclose Protected Health Information (defined in Section 1.8 below). Said Service Contracts are hereby incorporated by reference and shall be taken and considered as a part of this document the same as if fully set out herein.

In accordance with the federal privacy and security regulations set forth at 45 C.F.R. Part 160 and Part 164, Subparts A, C, and E, which require Covered Entity to have a written memorandum with each of its internal Business Associates, the Parties wish to establish satisfactory assurances that Business Associate will appropriately safeguard "Protected Health Information" and, therefore, make this Agreement.

#### DEFINITIONS

- 1.1 Terms used, but not otherwise defined, in this Agreement shall have the same meaning as those terms in 45 CFR §§ 160.103, 164.103, 164.304, 164.501 and 164.504.
- 1.2 "Designated Record Set" shall have the meaning set out in its definition at 45 C.F.R. § 164.501.
- 1.3 "Electronic Protected Health Care Information" shall have the meaning set out in its definition at 45 C.F.R. § 160.103.
- 1.4 "Health Care Operations" shall have the meaning set out in its definition at 45 C.F.R. § 164.501.
- 1.5 "Individual" shall have the same meaning as the term "individual" in 45 CFR § 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR § 164.502(g).
- 1.6 "Privacy Official" shall have the meaning as set out in its definition at 45 C.F.R. § 164.530(a)(1).
- 1.7 "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Part 160 and Part 164, subparts A, and E.
- 1.8 "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR § 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.
- 1.9 "Required by Law" shall have the meaning set forth in 45 CFR § 164.512.

1.10 "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Parts 160 and 164, Subparts A and C.

## 2. OBLIGATIONS AND ACTIVITIES OF BUSINESS ASSOCIATE (Privacy Rule)

- 2.1 Business Associate agrees to fully comply with the requirements under the Privacy Rule applicable to "business associates," as that term is defined in the Privacy Rule and not use or further disclose Protected Health Information other than as permitted or required by this Agreement, the Service Contracts, or as Required By Law. In case of any conflict between this Agreement and the Service Contracts, this Agreement shall govern.
- 2.2 Business Associate agrees to use appropriate procedural, physical, and electronic safeguards to prevent use or disclosure of Protected Health Information other than as provided for by this Agreement. Said safeguards shall include, but are not limited to, requiring employees to agree to use or disclose Protected Health Information only as permitted or required by this Agreement and taking related disciplinary actions for inappropriate use or disclosure as necessary.
- 2.3 Business Associate shall require any agent, including a subcontractor, to whom it provides Protected Health Information received from, created or received by, Business Associate on behalf of Covered Entity or that carries out any duties for the Business Associate involving the use, custody, disclosure, creation of, or access to Protected Health Information, to agree, by written contract with Business Associate, to the same restrictions and conditions that apply through this Agreement to Business Associate with respect to such information.
- 2.4 Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of Protected Health Information by Business Associate in violation of the requirements of this Agreement.
- 2.5 Business Associate agrees to require its employees, agents, and subcontractors to promptly report, to Business Associate, any use or disclosure of Protected Health Information in violation of this Agreement. Business Associate agrees to report to Covered Entity any use or disclosure of the Protected Health Information not provided for by this Agreement.
- 2.6 If Business Associate receives Protected Health Information from Covered Entity in a Designated Record Set, then Business Associate agrees to provide access, at the request of Covered Entity, to Protected Health Information in a Designated Record Set, to Covered Entity or, as directed by covered Entity, to an Individual in order to meet the requirements under 45 CFR § 164.524, provided that Business Associate shall have at least twenty (20) business days from Covered Entity notice to provide access to, or deliver such information.
- 2.7 If Business Associate receives Protected Health Information from Covered Entity in a Designated Record Set, then Business Associate agrees to make any amendments to Protected Health Information in a Designated Record Set that the Covered Entity directs or agrees to pursuant to the 45 CFR § 164.526 at the request of Covered Entity or an Individual, and in the time and manner designated by Covered Entity, provided that Business Associate shall have at least ten (10) days from Covered Entity notice to make an amendment.
- 2.8 Business Associate agrees to make its internal practices, books, and records including policies and procedures and Protected Health Information, relating to the use and disclosure of Protected Health Information received from, created by or received by Business Associate on behalf of, Covered Entity available to the Secretary of the United States Department of Health in Human Services or the Secretary's designee, in a time and manner designated by the Secretary, for purposes of determining Covered Entity's or Business Associate's compliance with the Privacy Rule.
- 2.9 Business Associate agrees to document disclosures of Protected Health Information and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosure of Protected Health Information in accordance with 45 CFR § 164.528.

- 2.10 Business Associate agrees to provide Covered Entity or an Individual, in time and manner designated by Covered Entity, information collected in accordance with this Agreement, to permit Covered Entity to respond to a request by an Individual for and accounting of disclosures of Protected Health Information in accordance with 45 CFR § 164.528, provided that Business Associate shall have at least twenty (20) days from Covered Entity notice to provide access to, or deliver such information which shall include, at minimum, (a) date of the disclosure; (b) name of the third party to whom the Protected Health Information was disclosed and, if known, the address of the third party; (c) brief description of the disclosed information; and (d) brief explanation of the purpose and basis for such disclosure.
- 2.11 Business Associate agrees it must limit any use, disclosure, or request for use or disclosure of Protected Health Information to the minimum amount necessary to accomplish the intended purpose of the use, disclosure, or request in accordance with the requirements of the Privacy Rule.
- 2.11.1 Business Associate represents to Covered Entity that all its uses and disclosures of, or requests for, Protected Health Information shall be the minimum necessary in accordance with the Privacy Rule requirements.
- 2.11.2 Covered Entity may, pursuant to the Privacy Rule, reasonably rely on any requested disclosure as the minimum necessary for the stated purpose when the information is requested by Business Associate.
- 2.11.3 Business Associate acknowledges that if Business Associate is also a covered entity, as defined by the Privacy Rule, Business Associate is required, independent of Business Associate's obligations under this Memorandum, to comply with the Privacy Rule's minimum necessary requirements when making any request for Protected Health Information from Covered Entity.
- 2.12 Business Associate agrees to adequately and properly maintain all Protected Health Information received from, or created or received on behalf of, Covered Entity
- 2.13 If Business Associate receives a request from an Individual for a copy of the individual's Protected Health Information, and the Protected Health Information is in the sole possession of the Business Associate, Business Associate will provide the requested copies to the individual and notify the Covered Entity of such action. If Business Associate receives a request for Protected Health Information in the possession of the Covered Entity, or receives a request to exercise other individual rights as set forth in the Privacy Rule, Business Associate shall notify Covered Entity of such request and forward the request to Covered Entity. Business Associate shall then assist Covered Entity in responding to the request.
- 2.14 Business Associate agrees to fully cooperate in good faith with and to assist Covered Entity in complying with the requirements of the Privacy Rule.

### **3 OBLIGATIONS AND ACTIVITIES OF BUSINESS ASSOCIATE (Security Rule)**

- 3.1 Business Associate agrees to fully comply with the requirements under the Security Rule applicable to "business associates," as that term is defined in the Security Rule. In case of any conflict between this Agreement and Service Agreements, this Agreement shall govern.
- 3.2 Business Associate agrees to implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the electronic protected health information that it creates, receives, maintains, or transmits on behalf of the covered entity as required by the Security Rule.
- 3.3 Business Associate shall ensure that any agent, including a subcontractor, to whom it provides electronic ~~protected health information received from or created for Covered Entity or that carries out any duties for~~ the Business Associate involving the use, custody, disclosure, creation of, or access to Protected Health Information supplied by Covered Entity, to agree, by written contract (or the appropriate equivalent if the agent is a government entity) with Business Associate, to the same restrictions and conditions that apply through this Agreement to Business Associate with respect to such information.

- 3.4 Business Associate agrees to require its employees, agents, and subcontractors to report to Business Associate within five (5) business days, any Security Incident (as that term is defined in 45 CFR Section 164.304) of which it becomes aware. Business Associate agrees to promptly report any Security Incident of which it becomes aware to Covered Entity.
- 3.5 Business Associate agrees to make its internal practices, books, and records including policies and procedures relating to the security of electronic protected health information received from, created by or received by Business Associate on behalf of, Covered Entity available to the Secretary of the United States Department of Health in Human Services or the Secretary's designee, in a time and manner designated by the Secretary, for purposes of determining Covered Entity's or Business Associate's compliance with the Security Rule.
- 3.6 Business Associate agrees to fully cooperate in good faith with and to assist Covered Entity in complying with the requirements of the Security Rule.

#### **4. PERMITTED USES AND DISCLOSURES BY BUSINESS ASSOCIATE**

- 4.1 Except as otherwise limited in this Agreement, Business Associate may use or disclose Protected Health Information to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in Service Contracts, provided that such use or disclosure would not violate the Privacy and Security Rule, if done by Covered Entity.
- 4.2 Except as otherwise limited in this Agreement, Business Associate may use Protected Health Information as required for Business Associate's proper management and administration or to carry out the legal responsibilities of the Business Associate.
- 4.3 Except as otherwise limited in this Agreement, Business Associate may disclose Protected Health Information for the proper management and administration of the Business Associate, provided that disclosures are Required By Law, or provided that, if Business Associate discloses any Protected Health Information to a third party for such a purpose, Business Associate shall enter into a written agreement with such third party requiring the third party to: (a) maintain the confidentiality, integrity, and availability of Protected Health Information and not to use or further disclose such information except as Required By Law or for the purpose for which it was disclosed, and (b) notify Business Associate of any instances in which it becomes aware in which the confidentiality, integrity, and/or availability of the Protected Health Information is breached.
- 4.4 Except as otherwise limited in this Agreement, Business Associate may use Protected Health Information to provide Data Aggregation services to Covered Entity as permitted by 42 CFR § 164.504(e)(2)(1)(B).
- 4.5 Business Associate may use Protected Health Information to report violations of law to appropriate Federal and State Authorities consistent with 45 CFR 164.502(j)(1)

#### **5. OBLIGATIONS OF COVERED ENTITY**

- 5.1 Covered Entity shall provide Business Associate with the notice of Privacy Practices that Covered Entity produces in accordance with 45 CFR § 164.520, as well as any changes to such notice. Covered Entity shall notify Business Associate of any limitations in its notice that affect Business Associate's use or disclosure of Protected Health Information.
- 5.2 Covered Entity shall provide Business Associate with any changes in, or revocation of, permission by an Individual to use or disclose Protected Health Information, if such changes affect Business Associate's permitted or required uses.

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- 5.3 Covered Entity shall notify Business Associate of any restriction to the use or disclosure of Protected Health Information that Covered Entity has agreed to in accordance with 45 CFR § 164.522, to the extent that such restriction may affect Business Associate's use of Protected Health Information.

#### **6. PERMISSIBLE REQUESTS BY COVERED ENTITY**

6.1 Covered Entity shall not request Business Associate to use or disclose Protected Health Information in any manner that would not be permissible under the Privacy or Security Rule, if done by Covered Entity.

## 7. TERM AND TERMINATION

7.1 Term. This Agreement shall be effective as of the date on which it is signed by both parties and shall terminate when all of the Protected Health Information provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy Protected Health Information, Section 7.3. below shall apply.

### 7.2 Termination for Cause.

7.2.1. This Agreement authorizes and Business Associate acknowledges and agrees Covered Entity shall have the right to immediately terminate this Agreement and Service Contracts in the event Business Associate fails to comply with, or violates a material provision of, requirements of the Privacy and/or Security Rule or this Memorandum.

7.2.2. Upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity shall either:

7.2.2.1. provide a reasonable opportunity for Business Associate to cure the breach or end the violation, or

7.2.2.2. if Business Associate has breached a material term of this Agreement and cure is not possible or if Business Associate does not cure a curable breach or end the violation within a reasonable time as specified by, and at the sole discretion of, Covered Entity, Covered Entity may immediately terminate this Agreement and the Service Agreement.

7.2.2.3. If neither cure nor termination is feasible, Covered Entity shall report the violation to the Secretary of the United States Department of Health in Human Services or the Secretary's designee.

### 7.3. Effect of Termination.

7.3.1. Except as provided in Section 7.3.2. below, upon termination of this Agreement, for any reason, Business Associate shall return or destroy all Protected Health Information received from Covered Entity, or created or received by Business Associate on behalf of, Covered Entity. This provision shall apply to Protected Health Information that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the Protected Health Information.

7.3.2. In the event that Business Associate determines that returning or destroying the Protected Health Information is not feasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction unfeasible. Upon mutual agreement of the Parties that return or destruction of Protected Health Information is unfeasible, Business Associate shall extend the protections of this Memorandum to such Protected Health Information and limit further uses and disclosures of such Protected Health Information to those purposes that make the return or destruction unfeasible, for so long as Business Associate maintains such Protected Health Information.

## 8. MISCELLANEOUS

8.1 Regulatory Reference. A reference in this Agreement to a section in the Privacy and /or Security Rule means the section as in effect or as amended.

~~8.2 Amendment. The Parties agree to take such action as is necessary to amend this Memorandum from time to time as is necessary for Covered Entity to comply with the requirements of the Privacy and Security Rules and the Health Insurance Portability and Accountability Act, Public Law 104-191. Business Associate and Covered Entity shall comply with any amendment to the Privacy and Security Rules, the Health Insurance Portability and Accountability Act, Public Law 104-191, and related regulations upon the effective date of such amendment, regardless of whether this Agreement has been formally amended.~~

- 8.3 Survival. The respective rights and obligations of Business Associate under Section 7.3. of this Memorandum shall survive the termination of this Agreement.
- 8.4 Interpretation. Any ambiguity in this Agreement shall be resolved in favor of a meaning that permits Covered Entity and the Business Associate to comply with the Privacy and Security Rules.
- 8.5 Notices and Communications. All instructions, notices, consents, demands, or other communications required or contemplated by this Agreement shall be in writing and shall be delivered by hand, by facsimile transmission, by overnight courier service, or by first class mail, postage prepaid, addressed to the respective party at the appropriate facsimile number or address as set forth below, or to such other party, facsimile number, or address as may be hereafter specified by written notice.

COVERED ENTITY:

Stephanie Richardson  
ERP Project Director  
Department of Finance and Administration  
Enterprise Resource Planning Division  
162 3<sup>rd</sup> Ave. North, 3<sup>rd</sup> floor  
Nashville, TN 37243  
Phone: (615) 253-2725  
Fax: (615) 253-2980

BUSINESS ASSOCIATE:

David B. Nickel, Division President  
MAXIMUS, Inc.  
3130 Kilgore Road, Suite 400  
Rancho Cordova, CA 95670  
(916) 669-3720  
(916) 669-3514

All instructions, notices, consents, demands, or other communications shall be considered effectively given as of the date of hand delivery; as of the date specified for overnight courier service delivery; as of three (3) business days after the date of mailing; or on the day the facsimile transmission is received mechanically by the facsimile machine at the receiving location and receipt is verbally confirmed by the sender.

- 8.6 Strict Compliance. No failure by any Party to insist upon strict compliance with any term or provision of this Agreement, to exercise any option, to enforce any right, or to seek any remedy upon any default of any other Party shall affect, or constitute a waiver of, any Party's right to insist upon such strict compliance, exercise that option, enforce that right, or seek that remedy with respect to that default or any prior, contemporaneous, or subsequent default. No custom or practice of the Parties at variance with any provision of this Agreement shall affect, or constitute a waiver of, any Party's right to demand strict compliance with all provisions of this Agreement
- 8.7 Severability. With respect to any provision of this Agreement finally determined by a court of competent jurisdiction to be unenforceable, such court shall have jurisdiction to reform such provision so that it is enforceable to the maximum extent permitted by applicable law, and the Parties shall abide by such court's determination. In the event that any provision of this Agreement cannot be reformed, such provision shall be deemed to be severed from this Agreement, but every other provision of this Agreement shall remain in full force and effect.

8.8 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee except to the extent that Tennessee law has been pre-empted by HIPAA.

8.9 Compensation. There shall be no remuneration for performance under this Agreement except as specifically provided by, in, and through, existing administrative requirements of Tennessee State government and services contracts referenced herein.

IN WITNESS WHEREOF,

*Richard A. Morrison*

7/18/06

Date:

*Dr. D. Goety, Jr.*

7-20-06

Date:

**Contract Attachment E – *Tennessee Information Resources Architecture***

The *Tennessee Information Resources Architecture* follows this page.