CONTRACT #13
RFS # 324.02-407
FA # 06-16471

Tennessee Board of Probation and Parole

VENDOR:
iSECUREtrac

STATE OF TENNESSEE
BOARD OF PROBATION AND PAROLE
404 JAMES ROBERTSON PARKWAY, SUITE 1300
NASHVILLE, TENNESSEE 37243-0850 (615) 741-1673

RECEIVED
MAY 0 8 2009
FISCAL REVIEW

MEMORANDUM

TO: Fiscal Review Committee

FROM: Charles M. Traughber, Chairman Charles M Traughber RCJ

DATE: April 30, 2009

SUBJECT: BOPP REQUEST 324.02-407

Approval of the BOPP request RFS # 324.02-407 for GPS Electronic Monitoring is critical to the operation of the agency and to public safety. This amendment will extend the iSECUREtrac contract for a fifth year as allowed by the original contract, and increase the maximum liability accordingly.

The agency was prepared to participate in a multi-agency state-wide RFP spearheaded by OIR. As the multi-agency RFP has been put on hold, BOPP must make certain that electronic monitoring services can continue until a replacement contract can be put in place.

We appreciate your consideration of this matter.

Supplemental Documentation Required for Fiscal Review Committee

RECEIVED
MAY 0 1 2009
FISCAL REVIEW

*Contact Name:	Priscilla Wainwright	*Contact Phone:	615.253.5571
*Contract Number:	FA-06-16471-00	*RFS Number:	324.02-407-10
*Original Contract Begin Date:	July 18, 2005	*Current End Date:	July 17, 2009
Current Request Amendment Number: *(if applicable)*	5		
Proposed Amendment Effective Date: *(if applicable)*	July 18, 2009		
*Department Submitting:	Probation & Parole		
*Division:	Field Services		
*Date Submitted:	May 1, 2009		
*Submitted Within Sixty (60) days:	YES		
If not, explain:			
*Contract Vendor Name:	iSECUREtrac		
*Current Maximum Liability:	$3,570,000		

*Current Contract Allocation by Fiscal Year:
(as Shown on Most Current Fully Executed Contract Summary Sheet)

FY: 2006	FY: 2007	FY: 2008	FY: 2009	FY	FY
$ 2,470,000	$ 0	$ 1,100,000	$	$	$

*Current Total Expenditures by Fiscal Year of Contract:
(attach backup documentation from STARS or FDAS report)

FY: 2006	FY: 2007	FY: 2008	FY: 2009	FY	FY
$ 671,902.50	$ 1,148,798.55	$ 917,737	$ 549,523.80	$	$

IF Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:	
IF surplus funds have been carried forward, please give the reasons and provide the authority for the carry forward provision:	
IF Contract Expenditures exceeded Contract Allocation, please give the reasons and explain how funding was acquired to pay the overage:	

*Contract Funding Source/Amount:	State:	$3,570,000	Federal:	
Interdepartmental:			*Other*:	

Supplemental Documentation Required for Fiscal Review Committee

If "*other*" please define:	
Dates of All Previous Amendments or Revisions: *(if applicable)*	Brief Description of Actions in Previous Amendments or Revisions: *(if applicable)*
8/1/06	Amendment 1 - Add 1 year to term
5/3/07	Amendment 2 - Add 1 year to term
10/12/07	Amendment 3 - Increase Maximum liability
5/21/08	Amendment 4 - Add 1 year to term
Method of Original Award: *(if applicable)*	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. *(if applicable)*	
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. *(if applicable)*	
Include a detailed analysis, in dollars, of the cost of obtaining this service through the proposed contract as compared to other options. *(if applicable)*	

Allotment		Fund		Funding Year	Vendor Name	Vendor Number	Major Object		Metric	Cash Expenditures
324.02	PROBATION AND PAROLE SERVICES	11	GENERAL FUND	2006	ISECURETRAC CORP	V870347787	08	PROFESSIONAL AND ADMINISTRATIVE SERVICES		671,902.50
324.02	PROBATION AND PAROLE SERVICES	11	GENERAL FUND	2007	ISECURETRAC CORP	V870347787	08	PROFESSIONAL AND ADMINISTRATIVE SERVICES		1,198,798.55
324.02	PROBATION AND PAROLE SERVICES	11	GENERAL FUND	2008	ISECURETRAC CORP	V870347787	08	PROFESSIONAL AND ADMINISTRATIVE SERVICES		917,737.00
324.02	PROBATION AND PAROLE SERVICES	11	GENERAL FUND	2009	ISECURETRAC CORP	V870347787	08	PROFESSIONAL AND ADMINISTRATIVE SERVICES		549,523.80
Total										**3,337,961.85**

REQUEST: NON-COMPETITIVE AMENDMENT

APPROVED	RECEIVED MAY 0 6 2009 FISCAL REVIEW
Commissioner of Finance & Administration Date:	

EACH REQUEST ITEM BELOW MUST BE DETAILED OR ADDRESSED AS REQUIRED.	
1) RFS #	324.02-407
2) State Agency Name :	State of Tennessee Board of Probation and Parole
EXISTING CONTRACT INFORMATON	
3) Service Caption :	GPS Services for Electronic Monitoring
4) Contractor :	ISecureTrac
5) Contract #	FA-06-16471-00
6) Contract Start Date :	7/18/2005
7) Current Contract End Date IF all Options to Extend the Contract are Exercised :	7/17/2009
8) Current Total Maximum Cost IF all Options to Extend the Contract are Exercised :	$3,570,000.00
PROPOSED AMENDMENT INFORMATON	
9) Proposed Amendment #	5
10) Proposed Amendment Effective Date : (attached explanation required if date is < 60 days after F&A receipt)	7/18/2009
11) Proposed Contract End Date IF all Options to Extend the Contract are Exercised :	7/17/2010
12) Proposed Total Maximum Cost IF all Options to Extend the Contract are Exercised :	$4,320,000.00
13) Approval Criteria : (select one)	☒ use of Non-Competitive Negotiation is in the best interest of the state
	☐ only one uniquely qualified service provider able to provide the service
14) Description of the Proposed Amendment Effects & Any Additional Service :	
This amendment would extend the current contract by final year allowed by original contract.	
15) Explanation of Need for the Proposed Amendment :	
The RFP to procure a state-wide contract for electronic monitoring services was put on hold earlier this year due to budget constraints. Monitoring services are a critical part of the Field Services Division's mission to minimize public risk and	

promote lawful behavior by supervising and monitoring the behavior of subject offenders. Monitoring Services are crucial to providing both continual service to offenders and protection of the general public. These services ***must*** continue without interruption. Any delay such as selecting a new vendor could jeopardize public safety and undermine Board work with offenders. It is in the State's best interest to continue with our current vendor under our current contract in the interim. Adding the final year allowed under the original contract will give BOPP sufficient time to proceed with a replacement contract.

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

Tom Wharton, President and CEO,
ISECUREtrac Corp.
5078 S. 111th Street
Omaha, NE 68137

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 :

As stated above, a decision has already been made to put the statewide multi-agency RFP on hold. Because of the decision already made, BOPP must amend the current contract to prevent interruption of these services.

21) Justification for the Proposed Non-Competitive Amendment :

Isecuretrac has been providing these services to BOPP under a contract originally awarded under an RFP in 2005. Uninterrupted continuation of these services is critical and vital to public safety and the agency mission.

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)

Robert C Smith Executive Director 4/30/09

Agency Head Signature **Date**

081607

EMAIL TRANSMITTAL

to Request OIR Procurement Endorsement

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

FROM : Priscilla E. Wainwright,
Contracts Coordinator
Board of Probation & Parole
FAX # 532-8098

DATE : April 27, 2009

RFS # 324.02-407

RE : Procurement Endorsement — GPS Electronic Monitoring
Amendment 5

INFORMATION SYSTEMS PLAN PROJECT: N/A

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

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 **Priscilla Wainwright** at **615.253.5571**.

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)

Electronic files of original RFP, awarded contract, prior amendments, proposed Amendment 5 and non-competitive request form for Amendment 5.

OIR Endorsement :

Mark Bengel (pc) 4/28/09

OIR Chief Information Officer **Date**

CONTRACT SUMMARY SHEET

021908

RFS #	Contract #
324 . 02 — 407 — 09	FA-06-16471-05

State Agency	State Agency Division
Tennessee Board of Probation & Parole	Field Services

Contractor Name	Contractor ID # (FEIN or SSN)
ISECUREtrac	☒ C- or ☐ V- 87-0347787-00

Service Description

GPS Offender Tracking Electronic Monitoring

Contract Begin Date	Contract End Date	SUBRECIPIENT or VENDOR?	CFDA #
July 18, 2005	July 17, 2010	Vendor	

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
324.02	40	82	11		

FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2006	$2,470,000.00				$2,470,000.00
2007	$0.00				$0.00
2008	$1,100,000.00				$1,100,000.00
2009	$0.00				$0.00
2010	$750,000.00				$750,000.00
TOTAL:	$4,320,000.00				$4,320,000.00

— COMPLETE FOR AMENDMENTS ONLY —

FY	Base Contract & Prior Amendments	THIS Amendment ONLY
2006	$2,470,000.00	
2007	0.00	
2008	1,100,000.00	
2009	$0.00	
2010		$750,000.00
TOTAL:	$3,570,000.00	$750,000.00
End Date:	July 17, 2008	July 17, 2009

State Agency Fiscal Contact & Telephone #

Jacquelyn M. Baker (615) 532-8090

State Agency Budget Officer Approval

Funding Certification (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)

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

☐ African American ☐ Person w/ Disability ☐ Hispanic ☐ Small Business ☐ Government
☐ Asian ☐ Female ☐ Native American ☒ NOT Minority/Disadvantaged ☐ Other

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 (ID, GG, GU) ☐ Other *

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

AMENDMENT FIVE
TO FA-06-16471-00

This Contract Amendment is made and entered by and between the State of Tennessee, Board of Probation and Parole, hereinafter referred to as the "State" and iSECUREtrac, 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 B.1. is deleted in its entirety and replaced with the following:

B.1. This Contract shall be effective for the period commencing on July 18, 2005 and ending on July 17, 2010. The State shall have no obligation for services rendered by the Contractor which are not performed within the specified period.

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 Four Million, Three hundred twenty thousand dollars ($4,320,000.00). The Payment Rates in Section C.3. 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 payment rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

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 unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with the payment rates detailed in Section C.3. 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 E.27:

E.27. Prohibition of Illegal Immigrants. The requirements of Public Acts of 2006, Chapter Number 878, of the state of Tennessee, addressing the use of illegal immigrants in the performance of any Contract to supply goods or services to the state of Tennessee, shall be a material provision of this Contract, a breach of which shall be grounds for monetary and other penalties, up to and including termination of this Contract.

a. The Contractor hereby attests, certifies, warrants, and assures that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract. The Contractor shall reaffirm this attestation, in writing, by submitting to the State a completed and signed copy of the document at Attachment A, hereto, semi-annually during the period of this Contract. Such attestations shall be maintained by the Contractor and made available to state officials upon request.

b. Prior to the use of any subcontractor in the performance of this Contract, and semi-annually thereafter, during the period of this Contract, the Contractor shall obtain and retain a current, written attestation that the subcontractor shall not knowingly utilize the services of an illegal immigrant to perform work relative to this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant to perform work relative to this Contract. Attestations obtained from

such subcontractors shall be maintained by the Contractor and made available to state officials upon request.

c. The Contractor shall maintain records for all personnel used in the performance of this Contract. Said records shall be subject to review and random inspection at any reasonable time upon reasonable notice by the State.

d. The Contractor understands and agrees that failure to comply with this section will be subject to the sanctions of Public Chapter 878 of 2006 for acts or omissions occurring after its effective date. This law requires the Commissioner of Finance and Administration to prohibit a contractor from contracting with, or submitting an offer, proposal, or bid to contract with the State of Tennessee to supply goods or services for a period of one year after a contractor is discovered to have knowingly used the services of illegal immigrants during the performance of this Contract.

e. For purposes of this Contract, "illegal immigrant" shall be defined as any person who is not either a United States citizen, a Lawful Permanent Resident, or a person whose physical presence in the United States is authorized or allowed by the federal Department of Homeland Security and who, under federal immigration laws and/or regulations, is authorized to be employed in the U.S. or is otherwise authorized to provide services under the Contract.

4) The following provision is added as Contract Section E.28

E.28. Voluntary Buyout Program. The Contractor acknowledges and understands that, for a period of two years beginning August 16, 2008, restrictions are imposed on former state employees who received a State of Tennessee Voluntary Buyout Program (VBP) severance payment with regard to contracts with state agencies that participated in the VBP.

a. The State will not contract with either a former state employee who received a VBP severance payment or an entity in which a former state employee who received a VBP severance payment or the spouse of such an individual holds a controlling financial interest.

b. The State may contract with an entity with which a former state employee who received a VBP severance payment is an employee or an independent contractor. Notwithstanding the foregoing, the Contractor understands and agrees that there may be unique business circumstances under which a return to work by a former state employee who received a VBP severance payment as an employee or an independent contractor of a State contractor would not be appropriate, and in such cases the State may refuse Contractor personnel. Inasmuch, it shall be the responsibility of the State to review Contractor personnel to identify any such issues.

c. With reference to either subsection a. or b. above, a contractor may submit a written request for a waiver of the VBP restrictions regarding a former state employee and a contract with a state agency that participated in the VBP. Any such request must be submitted to the State in the form of the *VBP Contracting Restriction Waiver Request* format available from the State and the Internet at: www.state.tn.us/finance/rds/ocr/waiver.html. The determination on such a request shall be at the sole discretion of the head of the state agency that is a Party to this Contract, the Commissioner of Finance and Administration, and the Commissioner of Human Resources.

5) The following provision is added as Contract Section E.29:

E.29. Federal Economic Stimulus Funding. This CONTRACT requires the CONTRACTOR to provide products and/or services that are funded in whole or in part under the American Recovery and Reinvestment Act of 2009, Public Law 111-5, (Recovery Act). The CONTRACTOR is responsible for ensuring that all applicable requirements of the Recovery Act are met and that the CONTRACTOR provides information to the State as required by, but not limited to, the following:

a. The Recovery Act, including but not limited to the following sections of that Act:

(1) Section 1606 – Wage Rate Requirements.

(2) Section 1512 – Reporting and Registration Requirements.

(3) Sections 902, 1514, and 1515 – General Accounting Office/Inspector General Access.

(4) Section 1553 – Whistleblower Protections.

b. Executive Office of the President, Office of Management and Budget (OMB) Guidelines as posted at http://www.whitehouse.gov/omb/recovery_default/, as well as OMB Circulars, including but not limited to A-102 and A-133 as posted at http://www.whitehouse.gov/omb/financial_offm_circulars/.

c. Federal Grant Award Documents.

d. Office of Tennessee Recovery Act Management Directives.

The revisions set forth herein shall be effective July 18, 2009. All other terms and conditions not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF:

iSECUREtrac:

CONTRACTOR SIGNATURE **DATE**

Peter Michel, President/CEO (above)

Tennessee Board of Probation and Parole:

Robert Irvin, Executive Director DATE

APPROVED:

M. D. GOETZ, JR., COMMISSIONER DATE
DEPARTMENT OF FINANCE AND ADMINISTRATION

JOHN G. MORGAN, COMPTROLLER OF THE TREASURY DATE

GENERAL ASSEMBLY OF THE STATE OF TENNESSEE
FISCAL REVIEW COMMITTEE

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

Rep. Charles Curtiss, Chairman
Representatives
Curt Cobb
Curtis 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

MEMORANDUM

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: March 28, 2008

SUBJECT: **Contract Comments**
(Contract Services Subcommittee Meeting 3/24/08)

RFS# 324.02-407
Department: Board of Probation and Parole
Contractor: iSECUREtrac
Summary: The original contract was for the provision of Global Position System (GPS) satellite-based offender tracking electronic monitoring services. The proposed amendment extends current contract an additional year, and increases maximum liability by $617,500, in order to provide time for the Board to issue an RFP for these services.
Maximum liability: $3,570,000
Maximum liability w/amendment: $4,187,500

After review, the Fiscal Review Committee voted to postpone action on the contract amendment until the next scheduled meeting.

cc: Mr. Charles Traugher, Chairman, Board of Probation and Parole
Mr. Robert Barlow, Director, Office of Contracts Review

STATE OF TENNESSEE
BOARD OF PROBATION AND PAROLE
404 JAMES ROBERTSON PARKWAY, SUITE 1300
NASHVILLE, TENNESSEE 37243-0850 (615) 741-1673

RECEIVED
MAR 18 2008
FISCAL REVIEW

MEMORANDUM

TO: Fiscal Review Committee

FROM: Charles Traughber, Chairman Charles M. Traughber RCT

DATE: March 18, 2008

SUBJECT: **BOPP REQUEST RFS# 324.02-407**

The BOPP Request RFS# 324.02 for our GPS system is critical to the operation of the agency and to public safety. This amendment will allow us to continue to monitor offenders until the statewide RFP is drafted and the resulting contract is awarded. We appreciate your consideration of this matter.

REQUEST: NON-COMPETITIVE AMENDMENT

APPROVED	RECEIVED MAR 18 2008 FISCAL REVIEW
Commissioner of Finance & Administration Date:	

EACH REQUEST ITEM BELOW MUST BE DETAILED OR ADDRESSED AS REQUIRED.	
1) RFS #	324.02-407
2) State Agency Name :	State of Tennessee Board of Probation and Parole
EXISTING CONTRACT INFORMATON	
3) Service Caption :	GPS Services for Electronic Monitoring
4) Contractor :	ISecureTrac
5) Contract #	FA-06-16471-00
6) Contract Start Date :	7/18/2005
7) Current Contract End Date IF all Options to Extend the Contract are Exercised :	7/17/2008
8) Current Total Maximum Cost IF all Options to Extend the Contract are Exercised :	$3,570,000.00
PROPOSED AMENDMENT INFORMATON	
9) Proposed Amendment #	4
10) Proposed Amendment Effective Date : (attached explanation required if date is < 60 days after F&A receipt)	7/18/2008
11) Proposed Contract End Date IF all Options to Extend the Contract are Exercised :	7/17/2009
12) Proposed Total Maximum Cost IF all Options to Extend the Contract are Exercised :	$3,570,000.00
13) Approval Criteria : (select one)	☒ use of Non-Competitive Negotiation is in the best interest of the state
	☐ only one uniquely qualified service provider able to provide the service

14) Description of the Proposed Amendment Effects & Any Additional Service :

This amendment would extend the current contract by one year.

15) Explanation of Need for the Proposed Amendment :

BOPP was ready to proceed with a new RFP to procure GPS Services for electronic monitoring when the decision was made to draft an RFP and award a state-wide contract. Monitoring services are a critical part of the Board's mission to minimize public risk and promote lawful behavior by supervising and monitoring the behavior of subject offenders. Electronic monitoring services are crucial to

providing both continual service to offenders and protection of the general public. These services ***must*** continue without interruption. Any delay such as selecting a new vendor could jeopardize public safety and under undermine Board work with offenders. It is in the State's best interest to continue with our current vendor under our current contract in the interim until the new statewide GPS contract is awarded by RFP.

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

Tom Wharton, President and CEO,
ISECUREtrac Corp.
5078 S. 111th Street
Omaha, NE 68137

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 :

A decision has already been made to develop an RFP and award a statewide multi-agency contract. Because of the decision already made, BOPP must amend its current contract to prevent interruption of offender electronic monitoring until the statewide contract is in place.

21) Justification for the Proposed Non-Competitive Amendment :

Isecuretrac has been providing these services to BOPP under a contract originally awarded under an RFP in 2005, Uninterrupted continuation of these services until the statewide GPS contract can be awarded and executed is critical and vital.

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)

[signature] March 17, 2008

Agency Head Signature **Date**

CONTRACT SUMMARY SHEET

021908

RFS #	Contract #
324 . 02 — 407 — 09	FA-06-16471-04

State Agency	State Agency Division
Tennessee Board of Probation & Parole	Field Services

Contractor Name	Contractor ID # (FEIN or SSN)
ISECUREtrac	☒ C- or ☐ V- 87-0347787-00

Service Description

GPS Offender Tracking Electronic Monitoring

Contract Begin Date	Contract End Date	SUBRECIPIENT or VENDOR?	CFDA #
July 18, 2005	July 17, 2009	Vendor	

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
324.02	40	82	11		

FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2006	$2,470,000.00				$2,470,000.00
2007	$0.00				$0.00
2008	$1,100,000.00				$1,100,000.00
2009	$0.00				$0.00
TOTAL:	$3,570,000.00				$3,570,000.00

OCR RELEASED
MAY 21 2008
TO ACCOUNTS

— COMPLETE FOR AMENDMENTS ONLY —

FY	Base Contract & Prior Amendments	THIS Amendment ONLY
2006	$2,470,000.00	
2007	0.00	
2008	1,100,000.00	
2009		$0.00
TOTAL:	$3,570,000.00	$0.00
End Date:	July 17, 2008	July 17, 2009

State Agency Fiscal Contact & Telephone #

Jacquelyn M. Baker (615) 532-8090

State Agency Budget Officer Approval

Jacquelyn M Baker

Funding Certification (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)

RECEIVED
2008 MAY 16 PM 3:12
COMPTROLLER'S OFFICE
MANAGEMENT SERVICES

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

☐ African American ☐ Person w/ Disability ☐ Hispanic ☐ Small Business ☐ Government
☐ Asian ☐ Female ☐ Native American ☒ NOT Minority/Disadvantaged ☐ Other

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 (ID, GG, GU) ☐ Other *

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

MAY 21
DIRECTOR OF ACCOUNTS

AMENDMENT FOUR
TO FA-06-16471-00

This Contract Amendment is made and entered by and between the State of Tennessee, Board of Probation and Parole, hereinafter referred to as the "State" and iSECUREtrac, 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 B.1. is deleted in its entirety and replaced with the following:

B.1. This Contract shall be effective for the period commencing on July 18, 2005 and ending on July 17, 2009. The State shall have no obligation for services rendered by the Contractor which are not performed within the specified period.

The revisions set forth herein shall be effective July 1, 2008. All other terms and conditions not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF:

iSECUREtrac:

Peter A. Michel — 5 MAY 08

CONTRACTOR SIGNATURE — **DATE**

Peter Michel, President/CEO (above)

Tennessee Board of Probation and Parole:

Robert Irwin — 5/9/08

Robert Irvin, Executive Director — **DATE**

APPROVED:

M. D. Goetz, Jr. /sgt — MAY 16 2008

M. D. GOETZ, JR., COMMISSIONER — **DATE**
DEPARTMENT OF FINANCE AND ADMINISTRATION

FA-06-164-11-04

John G. Morgan 5/20/08

JOHN G. MORGAN, COMPTROLLER OF THE TREASURY DATE

GENERAL ASSEMBLY OF THE STATE OF TENNESSEE
FISCAL REVIEW COMMITTEE

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

Rep. Charles Curtiss, Chairman — **Sen. Douglas Henry, Vice-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

Senators

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

MEMORANDUM

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: May 1, 2008

SUBJECT: **Contract Comments**
(Contract Services Subcommittee Meetings 4/21 & 4/28)

RFS# 324.02-407
Department: Tennessee Board of Probation & Parole
Contractor: iSECUREtrac
Summary: Vendor is currently responsible for the provision of Global Position System (GPS) satellite-based offender tracking electronic monitoring services. This amendment extends the existing contract one year, effective through July 17, 2009, in order for the Board to issue an RFP for these services and award the new contract without interruption of current services.
Maximum liability: $3,570,000
Maximum liability with amendment: $3,570,000

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

cc: Mr. Charles Traughber, Chairman, Board of Probation & Parole
Mr. Robert Barlow, Director, Office of Contracts Review

CONTRACT SUMMARY SHEET

021406

RFS #	Contract #
324.02-407	FA-06-16471-03

State Agency	State Agency Division
Tennessee Board of Probation and Parole	FIELD SERVICES

Contractor Name	Contractor ID # (FEIN or SSN)
ISECURETRAC	☐ C- or ☒ V- V87-0347787-00

Service Description-

GPS OFFENDER TRACKING ELECTRONIC MONITORING

Contract Begin Date	Contract End Date	SUBRECIPIENT or VENDOR?	CFDA #
July 18, 2005	July 17, 2008		

Mark Each TRUE Statement

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

Allotment Code	Cost Center	Object Code	Fund	Funding Grant Code	Funding Subgrant Code
324.02	40	082	11		

FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2006	$2,470,000.00				$2,470,000.00
2007	$0.00				$0.00
2008	$1,100,000.00				$1,100,000.00
TOTAL:	$3,570,000.00				$3,570,000.00

— COMPLETE FOR AMENDMENTS ONLY —

FY	Base Contract & Prior Amendments	THIS Amendment ONLY
2006	$2,470,000.00	[illegible]0.00
2007	$0.00	$0.00
2008	$0.00	$1,100,000.00
TOTAL:	$2,470,000.00	$1,100,000.00
End Date:	7/18/07	7/17/08

State Agency Fiscal Contact & Telephone #

Jacquelyn M. Baker (615) 532-8090

State Agency Budget Officer Approval

Jacquelyn M Baker

Funding Certification (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)

RECEIVED OCT 11 AM 9:49 OFFICE OF MANAGEMENT SERVICES

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)

OCT 1 [illegible]

DIRECTOR OF ACCOUNTS

AMENDMENT THREE (3) TO FA- 0616471 00

This Contract by and between the State of Tennessee, Board of Probation and Parole, hereinafter referred to as the State, and iSECUREtrac, hereinafter referred to as the CONTRACTOR, is hereby amended as follows:

Delete Section C.1. in its entirety and insert the following in its place:

C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed THREE MILLION, FIVE HUNDRED SEVENTY THOUSAND DOLLARS ($3,570,000.00). The Service Rates in Section C.3 shall constitute the entire compensation due the Contractor for the Service and all of the Contractor's obligations hereunder regardless of the difficulty, program materials or equipment required. The Service Rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

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 Service Rates detailed in Section C.3.

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.

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

IN WITNESS WHEREOF:

iSECUREtrac:

Peter A. Michel — 27 SEPT 07

Peter Michel, President/CEO — **Date**

Tennessee Board of Probation and Parole:

Charles M. Traughber RPJ — 9/28/07

Charles Traughber, Chairman — **Date**

APPROVED:

DEPARTMENT OF FINANCE AND ADMINISTRATION:

M. D. Goetz, Jr./agl — 10/10/07

M. D. Goetz, Jr., Commissioner — Date

COMPTROLLER OF THE TREASURY:

John G. Morgan — 10/12/07

John G. Morgan, Comptroller of the Treasury — Date

CONTRACT SUMMARY SHEET

021406

RFS #	Contract #
324.02-407	FA-06-16471-02 COPY

State Agency	State Agency Division
Tennessee Board of Probation and Parole	FIELD SERVICES

Contractor Name	Contractor ID # (FEIN or SSN)	
ISECURETRAC	☐ C- or ☒ V-	V87-0347787-00

Service Description:

GPS OFFENDER TRACKING ELECTRONIC MONITORING

Contract Begin Date	Contract End Date	SUBRECIPIENT or VENDOR?	CFDA #
July 18, 2005	July 17, 2008		

Mark Each TRUE Statement

X Contractor is on STARS

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

Allotment Code	Cost Center	Object Code	Fund	Funding Grant Code	Funding Subgrant Code
324.02	40	082	11		

FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2006	$2,470,000.00				$2,470,000.00
2007	$0.00				$0.00
2008	$0.00				$0.00
					$0.00
TOTAL:	$2,470,000.00				$2,470,000.00

— COMPLETE FOR AMENDMENTS ONLY —

FY	Base Contract & Prior Amendments	THIS Amendment ONLY
2006	$2,470,000.00	$0.00
2007	$0.00	$0.00
2008	$0.00	$0.00
TOTAL:	**$2,470,000.00**	**$0.00**
End Date:	**7/18/07**	**7/17/08**

State Agency Fiscal Contact & Telephone #

Jacquelyn M. Baker (615) 532-8090

State Agency Budget Officer Approval

Jacquelyn M Baker

Funding Certification (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)

MAY - 9

RECEIVED
MAY 2 PM
COMPTROLLER'S OFFICE
OF GENERAL SERVICES

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)

RECEIVED
MAY 9
DIRECTOR OF ACCOUNTS

AMENDMENT TWO (2) TO FA- 0616471 00

This Contract by and between the State of Tennessee, Board of Probation and Parole, hereinafter referred to as the State, and iSECUREtrac, hereinafter referred to as the CONTRACTOR, is hereby amended as follows:

Delete Section B.1. in its entirety and insert the following in its place:

B.1. Contract Term. This Contract shall be effective for the period commencing on July 18, 2005 and ending on July 17, 2008. The State shall have no obligation for services rendered by the Contractor which are not performed within the specified period.

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

IN WITNESS WHEREOF:

iSECUREtrac:

Peter A. Michel — 3 APRIL 07

Peter Michel, President/CEO — **Date**

Tennessee Board of Probation and Parole:

Charles M. Traughber — 4/10/07.

Charles Traughber, Chairman — **Date**

APPROVED:

DEPARTMENT OF FINANCE AND ADMINISTRATION:

M. D. Goetz Jr. — 5/1/07

M. D. Goetz, Jr., Commissioner — **Date**

COMPTROLLER OF THE TREASURY:

John G. Morgan — 5/3/07

John G. Morgan, Comptroller of the Treasury — **Date**

CONTRACT SUMMARY SHEET

021406

RFS #	Contract #
324.02-407	FA 0616471 ~~00~~ 01

State Agency	State Agency Division
Tennessee Board of Probation and Parole	Field Services COPY

Contractor Name	Contractor ID # (FEIN or SSN)
ISECUREtrac	X C- or ☐ V- 87-0347787-00

Service Description

GPS Offender Tracking Electronic Monitoring

Contract Begin Date	Contract End Date	SUBRECIPIENT or VENDOR?	CFDA #
July 18, 2005	July 17, 2007		

Mark Each TRUE Statement

X Contractor is on STARS

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

Allotment Code	Cost Center	Object Code	Fund	Funding Grant Code	Funding Subgrant Code
324.04	40	82	11		

FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2006	2,470,000.00				2,470,000.00
TOTAL:	2,470,000.00				2,470,000.00

— COMPLETE FOR AMENDMENTS ONLY —

FY	Base Contract & Prior Amendments	THIS Amendment ONLY
2006	2,470,000.00	0.00
2007		0.00
TOTAL:	2,470,000.00	0.00
End Date:	7/17/07	7/17/07

State Agency Fiscal Contact & Telephone #

Jacquelyn M. Baker (615) 532-8090

State Agency Budget Officer Approval

Jacquelyn M Baker

Funding Certification (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)

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

☐ African American ☐ Person w/ Disability ☐ Hispanic ☐ Small Business X 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)

X 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)

PROCESSED

AUG - 1 2006

RECEIVED

AMENDMENT ONE
TO FA-0616471 00

This CONTRACT, by and between the State of Tennessee, Board of Probation and Parole, hereinafter referred to as the State, and iSECUREtrac, hereinafter referred to as the CONTRACTOR, is hereby amended as follows:

Delete Section B. Contract Term in its entirety and insert the following in its place:

B. CONTRACT TERM:

B.1. Contract Term. This Contract shall be effective for the period commencing on July 18, 2005 and ending on July 17, 2007. The State shall have no obligation for services rendered by the Contractor which are not performed within the specified period.

B.2. Term Extension. The State reserves the right to extend this Contract for an additional period or periods of time representing increments of no more than one year and a total contract term of no more than five (5) years, provided that the State notifies the Contractor in writing of its intention to do so at least ninety (90) days prior to the contract expiration date. An extension of the term of this Contract will be effected through an amendment to the Contract. If the extension of the Contract necessitates additional funding beyond that which was included in the original Contract, the increase in the State's maximum liability will also be effected through an amendment to the Contract and shall be based upon rates provided for in the original contract.

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

IN WITNESS WHEREOF,

ISECURETRAC:

Tom Wharton 5-30-06

Tom Wharton, President and CEO — DATE

TENNEESSEE BOARD OF PROBATION AND PAROLE:

Charles M. Traughber 6/13/06

Charles M. Traughber, Chairman — DATE

APPROVED:

DEPARTMENT OF FINANCE AND ADMINISTRATION:

M. D. Goetz, Jr., Commissioner — DATE 7/26/06

COMPTROLLER OF THE TREASURY:

John G. Morgan, Comptroller of the Treasury — DATE 7/28/06

4040102

CONTRACT SUMMARY SHEET

RFS Number:	324.02-407	Contract Number:	FA-06-16471-00
State Agency:	TN BOARD OF PROBATION AND PAROLE	Division:	FIELD SERVICES

Contractor			Contractor Identification Number
ISECURETRAC	X	V-	87-0347787-00
		C-	

Service Description

GPS OFFENDER TRACKING ELECTRONIC MONITORING

Contract Begin Date	Contract End Date
July 18, 2005	July 17, 2006

Allotment Code	Cost Center	Object Code	Fund	Grant	Grant Code	Subgrant Code
324.04-(12)	40	82	11	on STARS		

FY	State Funds	Federal Funds	Interdepartmental Funds	Other Funding	Total Contract Amount Include ALL amendments
2006	$2,470,000.00				$2,470,000.00
Total:	$2,470,000.00				$2,470,000.00

CFDA Number:

State Fiscal Contact

Name:	JACQUELYN M. BAKER
Address:	SUITE 1310 PARKWAY TOWERS
Phone:	615 532-8090

Procuring Agency Budget Officer Signature

Jacquelyn M Baker

Check the box (below) ONLY if the answer is YES:

Is the Contractor a SUBRECIPIENT? (per OMB A-133)	
Is the Contractor a VENDOR? (per OMB A-133)	X
Is the Fiscal Year Funding STRICTLY LIMITED?	
Is the Contractor on STARS?	X
Is the Contractor's FORM W-9 ATTACHED?	
Is the Contractors Form W-9 Filed with Accounts?	X

Funding Certification

Pursuant to T.C.A., Section 9-6-113, I, M. D. Goetz, Jr., Commissioner of Finance and Administration, do hereby certify that 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.

COMPLETE FOR ALL AMENDMENTS (only)

	Base Contract & Prior Amendments	This Amendment ONLY
End Date >		
FY:		
FY:		
FY:		
FY:		
FY:		
FY:		
Totals:		

CONTRACT
BETWEEN THE STATE OF TENNESSEE,
Tennessee Board of Probation and Parole

And

ISECUREtrac

This Contract, by and between the State of Tennessee, **Tennessee Board of Probation and Parole,** hereinafter referred to as the "State" and **iSECUREtrac,** , hereinafter referred to as the "Contractor," is for the provision of GPS Offender Tracking Electronic Monitoring, as further defined in the "SCOPE OF SERVICES."

The Contractor is A FOR-PROFIT CORPORATION.

The Contractor's address is:

5078 S. 111th Street
Omaha, NE 68137

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

A. SCOPE OF SERVICES:

The Contractor shall provide at a minimum, the following services, in keeping with TCA 40-39-301, *et seq* (Attachment A):

A.1. The Contractor shall provide all required supplies, including hardware, software, to support electronic offender tracking and monitoring at selected probation/parole offices, as determined by the State, utilizing Global Positioning System (GPS) satellite-based technology.

A.2. The Contractor shall understand and agree that the State does not guarantee a minimum or maximum number of offenders that will be assigned to GPS monitoring. It is estimated that six hundred (600) high-risk offenders will be monitored on a daily basis by GPS during the first year of service.

A.3. No portion of this contract shall be subcontracted without the prior written approval of the State.

A.4. The State shall provide no materials, personnel, equipment, and/or services necessary to operate this contract except as listed below:

A.4.a. Office space for contractor personnel, if available, if applicable

A.4.b. Parking for Contractor personnel, if available

A.4.c. Utilities necessary to give and receive transmission of monitoring system information at BOPP site locations, i.e. internet access, electricity, etc.

A.4.d. Staff to install monitoring equipment at offenders' homes and replace batteries.

A.4.e. State GIS base map products (for additional information, see: http://gis.state.tn.us/mapping.html; http://gis.state.tn.us/Technical_specs_20040412.pdf)

A.4.f. Existing state computer equipment, internet connectivity, pagers, cell phones for state personnel.

A.4.g. Staff to assess and collect any offender paid fees related to the service.

A.5. GPS General System Requirements

A.5.a. The system at a minimum must have the ability to electronically monitor a person's presence or absence at a specific location at specified time periods. The system must be a portable GPS tracking unit, utilize continuous signaling transmission, and a base station. The system must require no active participation by the offender.

A.5.b. The system shall include offender curfew monitoring, and enable State and/or local law enforcement agencies to establish exclusion and inclusion zones that are unique to a specific offender, and incorporate existing standard generic sex offender exclusion zones (i.e. schools, playgrounds, etc.) through utilization of information contained in current local law enforcement agencies' GIS systems.

The system shall have the capability to cross-reference offender movements with local law enforcement agency's crime mapping technology and adhere to state standard for GIS. The system shall provide the capability of electronically mapping an offender's whereabouts at two monitoring levels:

A.5.b.i. Active: offender whereabouts monitored in "real time", with continuous reporting of offender location at regular time intervals, at a minimum of every 10 minutes.

A.5.b.ii. Passive: daily download of continuous reporting of offender location at regular time intervals, at a minimum of every 10 minutes, with the ability to program in designated violations to require "real time" notification, such as tamper alerts.

A.5.c. The system shall include the capability to report offender violations, ranging from next day report to "real time" notification, at a minimum of within 2 minutes, regardless of technology used for notification, to the State and/or local law enforcement agencies, depending on reporting protocol settings programmed in for that offender.

A.5.d. Equipment offered shall be of the latest technology available and latest in use from the manufacturer of the equipment. New equipment will be provided at the implementation of this contract. Equipment must be under warranty and maintenance agreement with the manufacturer. The State shall have the option to receive all new revisions as they become available. A copy of manufacturer's specification literature and warranty information shall be provided with the

response. Equipment shall be provided at no cost to the state beyond the per-day, per offender charge for activated units.

A.5.e. The contractor shall use existing crime-mapping software where practical and provide crime-mapping software and staff training for local law enforcement agencies at sites where it is not already available and at no additional cost.

A.6. Base Station

A.6.a. The base station shall be programmable, lightweight, and easily installed in the offender's home by state personnel with minimal training or experience required.

A.6.b. The base station shall be able to be matched to any transmitter/tracking unit in the State's inventory by the State's field personnel.

A.6.c. The base station shall detect and store with time stamp the following events as a minimum and promptly communicate them to the vendor's central computer:

A.6.c.i. Arrival of the transmitter within the range of the Base Station

A.6.c.ii. Departure of the transmitter out of range of the Base Station after a preset time interval that is adjustable.

A.6.c.iii. Tampering and/or removal of the transmitter or Base Station

A.6.c.iv. Loss and/or restoration of the home's AC power or telephone service. Offender participants shall be required to have land-line, corded telephone service, without added calling features, if required for operation of the monitoring.

A.6.c.v. Low battery condition of the transmitter

A.7. GPS Portable Tracking Unit/ Transmitter

A.7.a. The transmitter shall be small, lightweight, shock-proof, water-proof and tamper resistant, shall be able to be securely attached to the offender's body by State personnel with minimal training, and shall transmit tamper/removal notification alert via offender violation process as outlined in section A.7.d.

A.7.b. If a separate piece of equipment from the transmitter, portable tracking units shall be small, lightweight, water- and tamper-resistant.

A.7.c. The Portable Tracking Unit/Transmitter shall be able to monitor offender location, movement, rate of movement while traveling.

A.7.d. The Portable Tracking Unit shall be programmable to vary the rate of GPS recordings, range, time out of range, and offender violation alert protocol.

A.7.e. The Portable Tracking Unit shall be able to store events into memory and have download capabilities to the vendor website so that hard copy data reports can be obtained as needed by the State.

A.8. The Contractor shall provide a secure link (i.e.: SSL or VPN, firewalls, minimum of 128 bit encryption, password protected) to the contractor's website and provide at no additional cost any software, if any is required, that will allow designated personnel to access data

from the monitoring center and accomplish other tasks, providing designated personnel with individual login IDs, and security passwords.

A.9. The Contractor shall provide a secure monitoring center and facility with uninterruptible power source, with a backup and disaster recovery plan and a project manager who will act as contact and liaison for the State and local law enforcement agencies.

A.10. The Contractor shall only provide equipment and devices that have been properly registered and certified under the Federal Communications Commission Rules and Regulations. The contractor must submit, with the proposal, a complete list of the FCC ID numbers that have been approved for all items.

A.11. The Contractor shall be responsible for providing the skills and knowledge necessary to implement and manage the program. Training provided by the Contractor should give a thorough review of the entire operation of the system. The Contractor shall provide, at each BOPP pilot site, at no cost to the State or local law enforcement agencies, State approved training and training manuals to BOPP and local law enforcement agencies.

A.12. The Contractor shall provide an inventory of spare monitoring equipment and any necessary installation supplies and replacement parts at each BOPP pilot office site location at no additional compensation. Inventory shall at a minimum represent no less than the equivalent of 10% of the number of activated monitoring units. The Contractor shall maintain all equipment in good operating condition and arrange for prompt replacement within 48 hours of notification via overnight carrier.

A.13. The Contractor shall not duplicate existing GIS base mapping data products. The Contractor shall utilize the Tennessee Base Mapping Program (TNBMP) as data products in partnership with the State and local law enforcement agencies. Local GIS data products that meet or exceed TNBMP technical specifications may be used where TNBMP data products do not exist. If TNBMP data products or local data products do not exist, the State will provide access to TeleAtlas Dynamap transportation data to supplement base map data.

The Contractor shall provide all services required by this RFP within the context of the technical environment described by the Tennessee Information Resources Architecture ("Technical Architecture"). ESRI software products are identified as the state government standard for GIS desktop and server software. The vendor may request a copy of the Technical Architecture by submitting a written request to the RFP coordinator listed in RFP Section 1.5.1.1. When a contract is executed pursuant to this RFP, the Technical Architecture will be included as a Contract Attachment.

A.14. The Contractor shall be able to provide digital reports of elapsed time intervals of violations and alert message relay and active monitoring transmission time intervals, including gaps due to factors such as signal unavailability, physical barriers, in order to evaluate the consistency of reception and appropriateness of use in different geographic areas.

A.15. The Contractor shall maintain recorded data of offender violation alerts accessible in form and substance for utilization as physical evidence for prosecution. The Contractor shall provide affidavit and/or expert witness testimony for prosecution of violations based on GPS data in court proceedings and/or parole revocation hearings, as needed, at no additional cost.

A.16. The Contractor shall be compensated based upon fixed daily user rates, based upon the level of monitoring per offender, and the number of monitoring units activated. Refer to section A.5.b.

A.17. The Contractor shall include, as part of the proposal, a digital map of the state of Tennessee indicating the areas of coverage/signal availability/non-availability as required for real time (active) monitoring. Map should be on cd-rom, in .jpg format, with the ability to zoom in for more detailed view of pilot site locations.

A.18. The Contractor shall submit minimum software, hardware system requirements necessary for any State or law enforcement owned computers that will interface with the operation of GPS offender monitoring system and/or crime mapping software.

A.19. The Contractor shall provide information outlining the contractor's experience in working in a law-enforcement, corrections, or community offender supervision setting, as well as the contractor's experience in working with GPS technology.

A.20. Project Management: The Contractor shall provide an experienced project manager and project team, who shall be responsible for the completion of all tasks during the implementation phase of GPS. Duties of the Project Manager and Project Team shall include, but is not limited to the following:

A.20.a. Submit a Project Plan to the State within ten (10) business days after the Contract Start date. The Project Plan must include a detailed description of the implementation tasks and the beginning and end dates of each task. Implementation tasks must be scheduled within the GPS Project timeframe. All tasks and scheduling will be coordinated with the State's designated GPS Project Manager.

A.20.b. Notify the State of any changes, constraints, or unforeseen developments that will delay the expected date of scheduled tasks at the earliest date such issues become known.

A.20.c. Provide weekly status reports identifying the status of tasks identified within the Project Plan and include pertinent project information that is not included within the project plan.

A.20.d. Communicate with the State's Project Manager within 24 hours of contact request.

A.20.e. Participate in project presentations to executive level and other government officials, including the formal twelve-month report mandated by TCA 40-39-302.

A.20.f. Assist in the development of implementation and operational procedure guidelines.

A.20.g. Assist the GPS Project Manager in development of periodic project progress reports and validity studies throughout the operational phase as requested.

A.21. Project Milestones:

A.21.a. Submit training materials to State's designated GPS Project Manager for approval within seven (7) days of final contract approval.

A.21.b. In conjunction with State training staff, schedule training of State and local law enforcement agencies within fourteen (14) days of final contract approval. All training is to be completed within 45 days of final contract approval.

A.21.c. Deliver software and provide training to the pilot sites' local law enforcement agencies currently without crime mapping capability at their respective sites within 21 days of final contract approval.

A.21.d. Deliver all equipment required for project to each BOPP pilot site office and install required software, if any, onto State computers in coordination with State IS staff and each pilot site's local law enforcement agencies' computers, by each site's training date.

A.21.e. Provide all required access to vendor's secure website to State staff and local law enforcement agencies involved in the pilot project by each site's scheduled training dates, in accordance with TCA 40-39-306.

A.21.f. Have all BOPP pilot sites and their local law enforcement agencies ready for project implementation no later than 60 days after final contract approval.

A.21.g. Provide additional services deemed necessary as mutually agreed upon by vendor and the State.

B. CONTRACT TERM:

B.1. Contract Term. This Contract shall be effective for the period commencing on July 18, 2005 and ending on July 17, 2006. The State shall have no obligation for services rendered by the Contractor which are not performed within the specified period.

B.2. Term Extension. The State reserves the right to extend this Contract for an additional period or periods of time representing increments of no more than one year and a total contract term of no more than five (5) years, provided that the State notifies the Contractor in writing of its intention to do so at least ninety (90) days prior to the contract expiration date. An extension of the term of this Contract will be effected through an amendment to the Contract. If the extension of the Contract necessitates additional funding beyond that which was included in the original Contract, the increase in the State's maximum liability will also be effected through an amendment to the Contract and shall be based upon rates provided for in the original contract.

C. PAYMENT TERMS AND CONDITIONS:

C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed TWO MILLION, FOUR HUNDRED SEVENTY THOUSAND DOLLARS ($2, 470,000.00]). The Service Rates in Section C.3 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 Service Rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

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 Service Rates detailed in Section C.3.

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 Service Rates 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 of units of service or project milestones defined in Section A. The Contractor shall be compensated based upon the following Service Rates as defined in Section A.5.b. :

SERVICE UNIT/ MILESTONE	AMOUNT				
	Year 1	Year 2**	Year 3**	Year 4**	Year 5
Activated Passive Monitoring System/ Per offender/ per day*	$4.50	$4.25	$4.00	$3.75	$3.5(
Activated Active Monitoring System/ per offender/ per day*	$8.40	$7.70	$7.00	$6.30	$5.6(

* A day is defined as beginning at 12:00 midnight and ending at any point up to and including 11:59 p.m. of the same calendar date.

** Only apply if contract is extended.

The Contractor shall submit monthly invoices, comprised of total billable days, broken down by offender, and providing a summarization, 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 units of service or project milestones for the amount stipulated.

C.3.a. The State shall assess and collect offender payments as authorized under TCA 40-39-301, *et seq*, such payments not to exceed the cost of service to the State. The Contractor shall bear no responsibility for offender payments.

C.4. Travel Compensation. The Contractor shall not be compensated or reimbursed for travel, meals, or lodging.

C.5. 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.6. 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.7. 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.8. 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.

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. 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" and "Nondiscrimination" (sections D.6. and D.7.). 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:
Gary Tullock, State Director of Field Services
Board of Probation and Parole
404 James Robertson Parkway
Nashville, TN 37243
615.532.8129 tel.
615.741.8513 fax
Gary.Tullock@state.tn.us

The Contractor:
Tom Wharton, President and CEO
ISECUREtrac Corp.
5078 S. 111th St.
Omaha, NE 68137
402.537.0022 tel
402.537.9847 fax
tom@isecuretrac.com

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.

(1) 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.

(2) 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.

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

(3) 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.

b. State Breach— In the event of a Breach of contract by the State, the Contractor shall notify the State in writing within 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. Annual Report and Audit. The Contractor shall prepare and submit, within nine (9) months after the close of the reporting period, an annual report of its activities funded under this Contract to the commissioner or head of the contracting agency, the Tennessee Comptroller of the Treasury, and the Commissioner of Finance and Administration. The annual report for any Contractor that receives $500,000 or more in

aggregate federal and state funding for all its programs shall include audited financial statements. All books of account and financial records shall be subject to annual audit by the Tennessee Comptroller of the Treasury or the Comptroller's duly appointed representative. When an audit is required, the Contractor may, with the prior approval of the Comptroller, engage a licensed independent public accountant to perform the audit. The audit contract between the Contractor and the licensed independent public accountant shall be on a contract form prescribed by the Tennessee Comptroller of the Treasury. Any such audit shall be performed in accordance with generally accepted government auditing standards, the provisions of OMB Circular A-133, if applicable, and the *Audit Manual for Governmental Units and Recipients of Grant Funds* published by the Tennessee Comptroller of the Treasury. The Contractor shall be responsible for reimbursement of the cost of the audit prepared by the Tennessee Comptroller of the Treasury, and payment of fees for the audit prepared by the licensed independent public accountant. Payment of the audit fees of the licensed independent public accountant by the Contractor shall be subject to the provisions relating to such fees contained in the prescribed contract form noted above. Copies of such audits shall be provided to the designated cognizant state agency, the State Contracting Department, the Tennessee Comptroller of the Treasury, and the Department of Finance and Administration and shall be made available to the public.

E.7. State Ownership of Work Products. The State shall have all ownership right, title, and interest; including ownership of copyright, in all work products created, designed, developed, derived, documented, installed, or delivered to the State under this Contract. The State shall have royalty-free and unlimited rights to use, disclose, reproduce, or publish, for any purpose whatsoever, all said work products. The Contractor shall furnish such information and data upon request of the State, in accordance with the Contract and applicable State law.

E.8. Performance Bond. Upon approval of the Contract by all appropriate State officials in accordance with applicable State laws and regulations, the Contractor shall furnish a performance bond in the amount equal to FIFTY THOUSAND DOLLARS ($50,000), guaranteeing full and faithful performance of all undertakings and obligations under this Contract for the initial Contract term and all extensions thereof. The bond shall be in the manner and form prescribed by the State and must be issued through a company licensed to issue such a bond in the State of Tennessee.

The Contractor shall obtain the required performance bond in form and substance acceptable to the State and provide it to the State no later than July 15, 2005. Failure to provide the performance bond prior to the deadline as required shall result in contract termination.

In lieu of a performance bond, a surety deposit, in the sum of FIFTY THOUSAND DOLLARS ($50,000), may be substituted if approved by the State prior to its submittal.

E.9. 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.10. Competitive Procurements. This Contract provides for reimbursement of the cost of goods, materials, supplies, equipment, or services. Such procurements shall be made on a competitive basis, where practical.

E.11. State Interest in Equipment—Uniform Commercial Code Security Agreement. The Contractor shall take legal title to all equipment and to all motor vehicles, hereinafter referred to as "equipment," purchased totally or in part with funds provided under this

Contract, subject to the State's equitable interest therein, to the extent of its *pro rata* share, based upon the State's contribution to the purchase price. "Equipment" shall be defined as an article of nonexpendable, tangible, personal property having a useful life of more than one year and an acquisition cost which equals or exceeds $5,000.00.

As authorized by the provisions of the terms of the Tennessee Uniform Commercial Code— Secured Transaction, found at Title 47, Chapter 9 of the ***Tennessee Code Annotated***, and the provisions of the Tennessee Motor Vehicle Title and Registration Law, found at Title 55, Chapter 1 of the ***Tennessee Code Annotated***, an intent of this Contract document and the parties hereto is to create and acknowledge a security interest in favor of the State in the equipment or motor vehicles acquired by the Contractor pursuant to the provisions of this Contract document. A further intent of this Contract document is to acknowledge and continue the security interest in favor of the State in the equipment or motor vehicles acquired by the Contractor pursuant to the provisions of this program's prior year Contracts between the State and the Contractor.

The Contractor hereto grants the State a security interest in said equipment. This agreement is intended to be a security agreement pursuant to the Uniform Commercial Code for any of the equipment herein specified which, under applicable law, may be subject to a security interest pursuant to the Uniform Commercial Code, and the Contractor hereby grants the State a security interest in said equipment. The Contractor agrees that the State may file this Contract or a reproduction thereof, in any appropriate office, as a financing statement for any of the equipment herein specified. Any reproduction of this or any other security agreement or financing statement shall be sufficient as a financing statement. In addition, the Contractor agrees to execute and deliver to the State, upon the State's request, any financing statements , as well as extensions, renewals, and amendments thereof, and reproduction of this Contract in such form as the State may require to perfect a security interest with respect to said equipment. The Contractor shall pay all costs of filing such financing statements and any extensions, renewals, amendments and releases thereof, and shall pay all reasonable costs and expenses of any record searches for financing statements the State may reasonably require. Without the prior written consent of the State, the Contractor shall not create or suffer to be created pursuant to the Uniform Commercial Code any other security interest in said equipment, including replacements and additions thereto. Upon the Contractor's breach of any covenant or agreement contained in this Contract, including the covenants to pay when due all sums secured by this Contract, the State shall have the remedies of a secured party under the Uniform Commercial Code and, at the State's option, may also invoke the remedies herein provided.

The Contractor agrees to be responsible for the accountability, maintenance, management, and inventory of all property purchased totally or in part with funds provided under this Contract. The Contractor shall maintain a perpetual inventory system for all equipment purchased with funds provided under this Contract and shall submit an inventory control report which must include, at a minimum, the following:

a. Description of the equipment;
b. Manufacturer's serial number or other identification number, when applicable;
c. Consecutive inventory equipment tag identification;
d. Acquisition date, cost, and check number;
e. Percentage of state funds applied to the purchase;
f. Location within the Contractor's operations where the equipment is used;
g. Condition of the property or disposition date if Contractor no longer has possession;
h. Depreciation method, if applicable; and
i. Monthly depreciation amount, if applicable.

The Contractor shall tag equipment with an identification number which is cross referenced to the equipment item on the inventory control report. The Contractor shall inventory equipment annually. The Contractor must compare the results of the inventory with the inventory control report and investigate any differences. The Contractor must then adjust the inventory control report to reflect the results of the physical inventory and subsequent investigation.

The Contractor shall notify the State, in writing, of any equipment loss describing reason(s) for the loss. Should the equipment be destroyed, lost, or stolen, the Contractor shall be responsible to the State for the *pro rata* amount of the residual value at the time of loss based upon the State's original contribution to the purchase price.

The Contractor shall submit its inventory control report of all equipment purchased with the final invoice submitted under this Contract. This inventory control report shall contain, at a minimum, the requirements specified above for inventory control.

Upon termination of the Contract, where a further contractual relationship is not entered into, or at another time during the term of the Contract, the Contractor shall request written approval from the State for any proposed disposition of equipment purchased pursuant to this Contract. All equipment shall be disposed of in such a manner as parties may agree from among alternatives approved by Tennessee Department of General Services and in accordance with any applicable federal laws or regulations.

E.12. 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.13. 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
d. The Contractor's 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.14. 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.15. Lobbying. The Contractor certifies, to the best of its knowledge and belief, that:

No federally appropriated funds have been paid or will be paid, by or on behalf of the Contractor, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, and entering into any cooperative agreement, and the extension, continuation, renewal, amendment,

or modification of any federal contract, grant, loan, or cooperative agreement.

If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this contract, grant, loan, or cooperative agreement, the Contractor shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

The Contractor shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including sub-grants, subcontracts, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients of federally appropriated funds shall certify and disclose accordingly.

E.16. 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.17. 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.18. Confidentiality of Records. Strict standards of confidentiality of records shall be maintained in accordance with the 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 State law and ethical standards and 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 State law and ethical standards.

The Contractor will be deemed to have satisfied its obligations under this section by exercising the same level of care to preserve the confidentiality of the State's information as the Contractor exercises to protect its own confidential information so long as such standard of care does not violate the applicable provisions of the first paragraph of this section.

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.

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

E.19. 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.20. Public Accountability. If this Contract involves the provision of services to citizens by the Contractor on behalf of the State, the Contractor agrees to establish a system through which recipients of services may present grievances about the operation of the service program, and the Contractor agrees to display a sign stating:

"NOTICE: This Contractor is a recipient of taxpayer funding. If you observe an employee engaging in any activity which you consider to be illegal or improper, please call the State Comptroller's toll free hotline: 1-800-232-5454"

Said sign shall be displayed in a prominent place, located near the passageway(s) through which the public passes to receive State funded services.

E.21. Environmental Tobacco Smoke. Pursuant to the provisions of the federal "Pro-Children Act of 1994" and the Tennessee "Children's Act for Clean Indoor Air of 1995," the Contractor shall prohibit smoking of tobacco products within any indoor premises in which services are provided pursuant to this Contract to individuals under the age of eighteen (18) years. The Contractor shall post "no smoking" signs in appropriate, permanent sites within such premises. This prohibition shall be applicable during all hours, not just the hours in which children are present. Violators of the prohibition may be subject to civil penalties and fines. This prohibition shall apply to and be made part of any subcontract related to this Contract.

E.22. Date/Time Hold Harmless. As required by ***Tennessee Code Annotated***, Section 12-4-118, 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.23. Hold Harmless. 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, liabilities, losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity which may be injured or damaged as a result of acts, omissions, or negligence on the part of the Contractor, its employees, or any person acting for or on its or their behalf relating to this Contract. The Contractor further agrees it shall be liable for the reasonable cost 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.

In the event of any such suit or claim, the Contractor shall give the State immediate notice thereof and shall provide all assistance required by the State in the State's defense. The State shall give the Contractor written notice of any such claim or suit, and the Contractor shall have full right and obligation to conduct the Contractor's own defense thereof. Nothing contained herein shall be deemed to accord to the Contractor, through its attorney(s), the right to represent the State of Tennessee in any legal matter, such rights being governed by ***Tennessee Code Annotated***, Section 8-6-106.

E.24. 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.25. 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.26. HIPAA Compliance. The State and **CONTRACTOR/GRANTEE** shall comply with obligations under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and its accompanying regulations.

a. **CONTRACTOR/GRANTEE** 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/GRANTEE** 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/GRANT** so that both parties will be in compliance with HIPAA.

c. The State and the **CONTRACTOR/GRANTEE** 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/GRANTEE** in compliance with HIPAA. This provision shall not apply if information received by the State under this **CONTRACT/GRANT** 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.

IN WITNESS WHEREOF:

ISECURETRAC:

Tom Wharton — 7-12-2005

Tom Wharton, President and CEO — Date

TENNESSEE BOARD OF PROBATION AND PAROLE

7/13/05

Charles Traughber, Chairman of the Board — Date

APPROVED:

DEPARTMENT OF FINANCE AND ADMINISTRATION:

8/2/05

M. D. Goetz, Jr., Commissioner — Date

COMPTROLLER OF THE TREASURY:

John G. Morgan — 8/5/05

John G. Morgan, Comptroller of the Treasury — Date