

CONTRACT #4
RFS # 339.17-961
ED # 0924933

**Mental Health & Developmental
Disabilities, Memphis Mental
Health Institute**

VENDOR:
University of Tennessee



STATE OF TENNESSEE
DEPARTMENT OF MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES
MEMPHIS MENTAL HEALTH INSTITUTE

P. O. Box 40966
951 COURT AVENUE
MEMPHIS, TENNESSEE 38174-0966

FISCAL SERVICES

MEMORANDUM

RECEIVED

APR 02 2009

FISCAL REVIEW

TO: Fiscal Review Committee

FROM: Linda C. White
Fiscal Director 339.17

DATE: March 31, 2009

SUBJECT: PSYCHIATRIC SERVICES-UNIVERSITY OF TENNESSEE ED09-24933-00
AMENDMENT FY2010

Memphis Mental Health Institute (339.17) is requesting an amendment to the contract with The University of Tennessee (UT), ED09-24933-00, for FY2010 in the amount of \$351,077.00. The services are essential to the daily operations of the hospital in meeting the staffing needs of our service recipients. We are required to provide adequate coverage at all times. The contract with UT has allowed us another avenue for staffing at a lower cost. MMHI has maintained a longstanding relationship with UT and its training needs. The training for the UT Residents also helps with their ability to provide the type of staff we need for this facility. The relationship between MMHI and UT benefits both state facilities. MMHI provides a training environment for UT students. UT, then provides staff that can service our recipients at a lower rate than is normally paid for those performing the same service.

Supplemental Documentation Required for Fiscal Review Committee

*Contact Name:	Linda C. White	*Contact Phone:	901-577-1821		
*Contract Number:	ED-0924933	*RFS Number:	339.17-961		
*Original Contract Begin Date:	7/1/2008	*Current End Date:	6/30/2009		
Current Request Amendment Number: <i>(if applicable)</i>	N/A-Original contract				
Proposed Amendment Effective Date: <i>(if applicable)</i>	7/1/2009				
*Department Submitting:	TDMHDD				
*Division:	Memphis Mental Health Institute				
*Date Submitted:	3/11/2009				
*Submitted Within Sixty (60) days: <i>If not, explain:</i>	Yes				
*Contract Vendor Name:	University of Tennessee				
*Current Maximum Liability:	\$545,957.00				
*Current Contract Allocation by Fiscal Year: <i>(as Shown on Most Current Fully Executed Contract Summary Sheet)</i>					
FY:2009	FY:	FY:	FY:	FY	FY
\$545,957.00	\$	\$	\$	\$	\$
*Current Total Expenditures by Fiscal Year of Contract: <i>(attach backup documentation from STARS or FDAS report)</i>					
FY:2009	FY:	FY:	FY:	FY	FY
\$34,133.62	\$	\$	\$	\$	\$
<p>IF Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:</p>			<p>It was originally projected that all of the contracted amount would be expended this year. However, it was not necessary to utilize the services of two psychiatrists until recently. We do expect to utilize all of the funds allocated for the 3 Residents. A more accurate YTD amount to be expended for actual services received from the UT contract is approximately \$139,190 to date. Our break down of this estimate is that in addition to the \$34,133.62 listed above and verified on the STARS report S064 (STARS screen print attached), an estimated amount of \$105,056.48 for services rendered is expected to be processed for payment. This amount includes \$23,856.48 for Resident services and \$81,200 for Psychiatrist services for 5 months. (Excel file, UT Psch Resid Contract STARS Pymt FY2010, is attached). We are requesting the total amount for the contract amendment for FY2010 to be at a reduced amount of \$351,077. MMHI is</p>		

Supplemental Documentation Required for
Fiscal Review Committee

		requesting this lower contract amount because we are reducing the number of Psychiatrist from two (2) to one (1) at an annual salary of \$194,880.	
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:	Federal:	
Interdepartmental:		Other:	\$351,077.00
If "other" please define:		Current Service funds received from Patient billings paid by Insurance or TennCare.	
Dates of All Previous Amendments or Revisions: <i>(if applicable)</i>		Brief Description of Actions in Previous Amendments or Revisions: <i>(if applicable)</i>	
N/A, no other amendments			
Method of Original Award: <i>(if applicable)</i>		Non-Competitive	

RESIDENT EXPENDITURES				TOTAL
WIP EXP STARS RPT #S064 @ 3/31/09	RESIDENT PYMTS	ACTUAL	\$	84,135.62
V#1050-WIP	RESID PYMTS IN PROCESS		\$	14,915.04
WIP-INVOICED, NOT PROCESSED	RESIDENT PYMTS		\$	8,941.44
				\$ 57,990.10
PSYCHIATRIST EXPENDITURES				
EXP IN PROCESS (NOT INVOICED-EST):	RATE/MONTH	# MONTHS		
DR AHMED				
JUL08-NOV08=5MO				
\$932.44/DAY*209 DAYS				
"=\$194,880/YR=\$16,240/MO"	\$16,240	5	\$	81,200.00
				\$ 81,200.00
TOTAL EST EXP @ 3/12/09				\$ 139,190.10
PROJECTED RESIDENT COST				
FEB-JUN, 2009--2ND YR	\$ 4,303.33	5	\$	21,516.65
FEB-JUN, 2009--4TH YR	\$ 4,511.42	5	\$	22,557.10
FEB-JUN, 2009--1ST YR	\$ 4,201.67	5	\$	21,008.35
TOTAL ESTIMATE FOR FY2009			\$	65,082.10
				\$ 204,272.20

NON-COMPETITIVE AMENDMENT REQUEST:

APPROVED

Commissioner of Finance & Administration

1) RFS #	339.17-961	
2) Procuring Agency :	Mental Health and Developmental Disabilities—Memphis Mental Health Institute	
EXISTING CONTRACT INFORMATION		
3) Service Caption :	Psychiatric and Resident Services	
4) Contractor :	University of Tennessee	
5) Contract #	ED0924933	
6) Contract Start Date :	July 1, 2008	
7) CURRENT Contract End Date : (if ALL options to extend the contract are exercised)	June 30, 2009	
8) CURRENT Maximum Cost : (if ALL options to extend the contract are exercised)	\$ 545,957.00	
PROPOSED AMENDMENT INFORMATION		
9) Amendment #	1	
10) Amendment Effective Date : (attached explanation required if < 60 days after F&A receipt)	July 1, 2009	
11) PROPOSED Contract End Date : (if ALL options to extend the contract are exercised)	June 30, 2010	
12) PROPOSED Maximum Cost : (if ALL options to extend the contract are exercised)	\$ 897,034	
13) Approval Criteria : (select one)	<input checked="" type="checkbox"/> use of Non-Competitive Negotiation is in the best interest of the state	
	<input type="checkbox"/> only one uniquely qualified service provider able to provide the service	
14) Description of the Proposed Amendment Effects & Any Additional Service		
Psychiatric services through use of a West Tennessee medical schools' residential program		
15) Explanation of Need for the Proposed Amendment :		
University of Tennessee (UT) is the only medical school in West Tennessee that can provide the psychiatric coverage needed at Memphis Mental Health Institute (MMHI). Contracting with a Tennessee medical school for resident programs creates monetary savings for TDMH in the cost of psychiatric coverage over state or contract employees. Residents typically work for less than \$60,000 while hiring a full time psychiatrist with benefits runs in excess of \$170,000 a year.		
16) Name & Address of Contractor's Current Principal Owner(s) : (not required for a TN state education institution)		
N/A, UT is a state education institution.		
17) Office for Information Resources Endorsement : (required for information technology service, n/a to THDA)		
Documentation is ... <input checked="" type="checkbox"/> Not Applicable to this Request <input type="checkbox"/> Attached to this Request		
18) eHealth Initiative Endorsement : (required for health-related professional, pharmaceutical, laboratory, or imaging service)		

Documentation is ... Not Applicable to this Request Attached to this Request

19) Department of Human Resources Endorsement: (required for state employees training service)

Documentation is ... Not Applicable to this Request Attached to this Request

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

MMHI has utilized the services from UT for many years since it is the only medical school in West Tennessee that can provide the needed psychiatric services for our service recipients.

21) Justification for the Proposed Non-Competitive Amendment:

UT is the only medical school in West Tennessee that can provide the psychiatric coverage needed at MMHI. Currently, MMHI uses the services of UT to provide psychiatric coverage to the service recipients at MMHI and the arrangement has been beneficial to both state agencies.

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)

Heidi Betts
SIGNATURE & DATE

3/17/09

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

RFS Tracking #	Edison Contract ID #	Amendment #
33917-96109	ED09-24933	01

Amendment Purpose	Delegated Authority Requisition ID # (ONLY if applicable)
PSYCHIATRIST and PSYCHIATRIC RESIDENTS	

Contractor/Grantee	Contractor/Grantee FEIN or SSN
UNIVERSITY OF TENNESSEE	<input checked="" type="checkbox"/> C- or <input type="checkbox"/> V- 62-6001636-R3

Begin Date	End Date	Subrecipient or Vendor	CFDA #(s)
7/1/2008	6/30/2010	<input type="checkbox"/> Subrecipient <input checked="" type="checkbox"/> Vendor	

FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2009				\$545,957.00	\$545,957.00
2010				\$351,077.00	\$351,077.00
TOTAL:				\$897,034.00	\$897,034.00

— COMPLETE FOR AMENDMENTS —			Procuring Agency Contact & Telephone #		
FY	Base Contract & Prior Amendments	THIS Amendment ONLY	Linda C. White (901) 577-1821		
2009	\$545,957.00				
2010		\$351,077.00	Procuring Agency Budget Officer Approval (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.)		
			GENE WOOD (615) 532-6676		
			Speed Code	Account Code	
TOTAL:	\$545,957.00	\$351,077.00		302210/25Z407	

— OCR Use —	Procurement Process Summary (FA or ED type only)

**AMENDMENT ONE
TO ED09-24933-00**

This Contract Amendment is made and entered by and between the State of Tennessee, Department of Mental Health and Developmental Disabilities—Memphis Mental Health Institute, hereinafter referred to as the "State" and The University of Tennessee, 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. Contract Term. This Contract shall be effective for the period commencing on July 1, 2008 and ending on June 30, 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. and C.3. 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 Eight Hundred Ninety Seven Thousand Thirty Four Dollars (\$897,034.00). 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 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 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

C.3. Payment Methodology. The Contractor shall be compensated based on the payment 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.

- a. The Contractor's compensation shall be contingent upon the satisfactory completion of units, milestones, or increments of service defined in Section A.
- b. The Contractor shall be compensated for said units, milestones, or increments of service based upon the following payment rates:

Service Description	Amount (per compensable increment)
One (1) Psychiatrist-Staff	\$932.44/day
One (1) Resident-1 st year	\$229.18/day
One (1) Resident-2 nd year	\$240.19/day
One (1) resident-4 th year*	\$251.80/day

*Residency not used for 3 rd year students	
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The Contractor will be allowed a maximum number of billable days per position per contract as follows:

Full-time Psychiatrist (1) will be allowed up to 1,672 hours or 209 days.

Resident-1st year will be allowed up to 1,760 hours or 220 days.

Resident-2nd & 4th year will be allowed up to 1,720 hours or 215 days.

- c. The Contractor shall not be compensated for travel time to the primary location of service provision.
- d. A "day" shall be defined as a minimum of eight (8) hours of service. If the Contractor provides fewer than eight (8) hours of service in a standard twenty-four (24) hour day, the Contractor shall bill *pro rata* for only those portions of the day in which service was actually delivered. The Contractor shall not bill more than the daily rate even if the Contractor works more than eight (8) hours in a day.

The revisions set forth herein shall be effective July 1, 2009. All other terms and conditions not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF,

UNIVERSITY OF TENNESSEE:

CONTRACTOR SIGNATURE

DATE

PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)

TENNESSEE DEPARTMENT OF MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES:

VIRGINIA T. BETTS, MSN, JD, RN, FAAN, COMMISSIONER

DATE

APPROVED:

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

DATE

DEBORAH E. STORY, COMMISSIONER
DEPARTMENT OF HUMAN RESOURCES

DATE

JUSTIN P. WILSON
COMPTROLLER OF THE TREASURY

DATE

CONTRACT SUMMARY SHEET

611-104248
021908

RFP #	Contract #
339.17-961	ED-09-24933-00

State Agency	State Agency Division
TDMHDD	MEMPHIS MENTAL HEALTH INSTITUTE

Contractor Name	Contractor ID# (FEIN or SSN)
UNIVERSITY OF TENNESSEE	X C- or V- 62-6001636-R3

Service Description
PSYCHIATRISTS (2 PSYCHIATRISTS & 3 PSYCHIATRIC RESIDENTS)

Contract BEGIN Date	Contract END Date	Subrecipient or Vendor?	CFDA #
7/1/2008	6/30/2009		

Mark Each TRUE Statement	
<input type="checkbox"/> Contractor is on STARS	<input type="checkbox"/> Contractor's Form W-9 is on file in Accounts

Allotment Code	Cost Center	Object Code	Fund	Funding Grant Code	Funding Subgrant Code
339.17	302210	25Z407	11		

FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2009				\$ 545,957.00	\$ 545,957.00
					\$ -
					\$ -
					\$ -
					\$ -
					\$ -
TOTAL	\$ -	\$ -	\$ -	\$ 545,957.00	\$ 545,957.00

COMPLETE FOR AMENDMENTS ONLY			State Agency Fiscal Contact & Telephone
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FY	Base Contract & Prior Amendments	THIS Amendment ONLY	GENE WOOD (615) 532-6676
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State Agency Budget Officer Approval		
<i>Gene Wood</i>		

Funding Certification (certification required by TCA § 9-2-5118 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)		
TOTAL \$ - \$ - \$ -		

Contract End Date	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 - IN/A for amendments or delegated authorities)		
<input checked="" type="checkbox"/> RFP	<input type="checkbox"/> Competitive Negotiation*	<input type="checkbox"/> Alternative Competitive Method*
<input checked="" type="checkbox"/> Non-Competitive Negotiation*	<input type="checkbox"/> Negotiation w/ Government (ID,GG,GU)	<input type="checkbox"/> Other*

Procurement Process Summary (complete for Non-Competitive Negotiation, Competitive Negotiation, or Alternative Method)		
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PROCESS

7/1/08

RECEIVED
 JUL 1 2008
 CONTROLLED SERVICE
 MANAGEMENT



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

Donna Rowland
David Shepard
Curry Todd
Eddie Yokley

Sen. Douglas Henry, Vice-Chairman
Senators

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

Reginald Tate
Jamie Woodson

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# 339.17-961

Department: Mental Health and Developmental Disabilities

Contractor: University of Tennessee

Summary: The proposed one-year contract is for the provision of psychiatric and medical coverage to those service recipients admitted to the Memphis Mental Health Institute and placed on units designated as being covered by the University of Tennessee. The contract has a term beginning July 1, 2008, and ending June 30, 2009, with the option to extend in one-year increments for a total of five years.

Maximum liability for 1st year: \$545,957

Maximum liability if extended for 5 years: \$2,729,800

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

cc: The Honorable Virginia Trotter Betts, Commissioner
Mr. Robert Barlow, Director, Office of Contracts Review

CY08 #408

8-5-05

REQUEST: NON-COMPETITIVE CONTRACT

RECEIVED

This request, approved by the Commissioner of Finance & Administration, is hereby filed with the Comptroller of the Treasury pursuant to the rules of the Department of Finance & Administration, Chapter 0620-3-3, Personal, Professional & Consulting Service Contracts

APPROVED *per FRC recommendation*
AM 11:39
COMPTROLLER'S OFFICE
OFFICE OF MANAGEMENT SERVICES
Commissioner of Finance & Administration
Date: 5/8/08

Each of the request items below indicates specific information that must be individually detailed or addressed as required. A request can not be considered if information provided is incomplete, non-responsive, or does not clearly address each of the requirements individually as required.

1) RFS #	339.17-961
2) State Agency Name :	Mental Health and Developmental Disabilities -- Memphis Mental Health Institute
3) Service Caption :	Psychiatric and Resident Services
4) Proposed Contractor :	University of Tennessee
5) Contract Start Date : (attached explanation required if date is < 60 days after F&A receipt)	July 1, 2008
6) Contract End Date IF <u>all</u> Options to Extend the Contract are Exercised :	June 30, 2013
7) Total Maximum Cost IF <u>all</u> Options to Extend the Contract are Exercised :	\$2,729,800
8) Approval Criteria : (select one)	<input checked="" type="checkbox"/> use of Non-Competitive Negotiation is in the best interest of the state
	<input type="checkbox"/> only one uniquely qualified service provider able to provide the service
9) Description of Service to be Acquired :	Psychiatric services through use of a West Tennessee medical schools' residential program.
10) Explanation of the Need for or Requirement Placed on the Procuring Agency to Acquire the Service :	University of Tennessee (UT) is the only medical school in West Tennessee that can provide the psychiatric coverage needed at Memphis Mental Health Institute (MMHI). Contracting with a Tennessee medical school for resident programs creates monetary savings for TDMHDD in the cost of psychiatric coverage over state or contract employees. Residents typically work for less than \$60,000 while hiring a full time psychiatrist with benefits runs in excess of \$170,000 a year. We are requesting a one year contract in the amount of \$545,957 with the term extension clause giving us the option to amend and renew the contract for an additional four years.
11) Explanation of Whether the Procuring Agency Bought the Service in the Past, & if so, What Procurement Method It Used :	In the past the procurement method was a non-competitive process.
12) Name & Address of the Proposed Contractor's Principal Owner(s) : (not required if proposed contractor is a state education institution)	N/A, UT is state education institution.
13) Evidence of the Proposed Contractor's Experience and Length of Experience Providing the Service :	

OCR
APR 14 2008
RECEIVED

14) Documentation of Office for Information Resources Endorsement : (required <u>only</u> if the subject service involves information technology)	
select one: <input checked="" type="checkbox"/> Documentation Not Applicable to this Request	<input type="checkbox"/> Documentation Attached to this Request
15) Documentation of Department of Personnel Endorsement : (required <u>only</u> if the subject service involves training for state employees)	
select one: <input checked="" type="checkbox"/> Documentation Not Applicable to this Request	<input type="checkbox"/> Documentation Attached to this Request
16) Documentation of State Architect Endorsement : (required <u>only</u> if the subject service involves construction or real property related services)	
select one: <input checked="" type="checkbox"/> Documentation Not Applicable to this Request	<input type="checkbox"/> Documentation Attached to this Request
17) Description of Procuring Agency Efforts to Identify Reasonable, Competitive, Procurement Alternatives :	
MMHI has utilized the services from UT for many years since it is the only medical school in West Tennessee that can provide the needed psychiatric care for our service recipients.	
18) Justification of Why the State Should Use Non-Competitive Negotiation Rather Than a Competitive Process : (Being the "only known" or "best" service provider to perform the service as desired will not be deemed adequate justification.)	
UT is the only medical school in West Tennessee that can provide the psychiatric coverage needed at MMHI. Currently, MMHI uses the services of UT to provide psychiatric coverage to the service recipients at MMHI and the arrangement has been beneficial to both state agencies.	
REQUESTING AGENCY HEAD SIGNATURE & DATE : (must be signed & dated by the <u>ACTUAL</u> procuring agency head as detailed on the Signature Certification on file with OCR— signature by an authorized signatory will be accepted only in documented exigent circumstances)	
 Agency Head Signature	4/8/08 Date

**CONTRACT
BETWEEN THE STATE OF TENNESSEE,
TENNESSEE DEPARTMENT OF MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES
MEMPHIS MENTAL HEALTH INSTITUTE
AND
UNIVERSITY OF TENNESSEE**

This Contract, by and between the State of Tennessee, Tennessee Department of Mental Health and Developmental Disabilities, Memphis Mental Health Institute hereinafter referred to as the "State" and The University of Tennessee, hereinafter referred to as the "Contractor," is for the provision of Psychiatric and Medical coverage (Psychiatrists and Residents), as further defined in the "SCOPE OF SERVICES."

Contractor Federal Employer Identification Number: (V626001636 R3)

A. SCOPE OF SERVICES:

A.1. The Contractor shall provide all service and deliverables as required, described, and detailed by this Scope of Services and shall meet all service and delivery timelines specified in the Scope of Services section or elsewhere in this Contract.

A.2. Service Definition:

The Psychiatric Residency program is one in which the Contractor is to provide the State with three (3) psychiatric residents (hereinafter referred to as Residents) to assist in providing medical and psychiatric coverage to service recipients admitted to the Memphis Mental Health Institute (MMHI) on the units to which the Residents are assigned. The Contractor shall further provide two (2) psychiatrists to serve as Supervisor of the Residents assigned to the units.

A.3. Service Recipients:

Persons admitted to MMHI who are in need of medical and psychiatric services.

A.4. Structure:

a. The Contractor shall provide the State with three (3) Residents currently enrolled in University of Tennessee School of Medicine, Department of Psychiatry Resident Training Program to assist in providing medical and psychiatric coverage to service recipients as identified in A.3.

b. Residents shall be assigned to MMHI for a period of not less than three (3) months in order to insure basic continuity in the provision of services.

c. The Contractor shall provide the State with two (2) full time psychiatrists to provide psychiatric and medical coverage to MMHI .

d. The Contractor shall ensure that all services are provided at a standard of care which shall at least be comparable to the standards set by the Joint Commission and shall also include all medical and psychiatric services as deemed necessary to comply with:

- i. Joint Commission;
- ii. MMHI Policy;
- iii. Acute Treatment Program Procedures and Forensic Program Procedures where applicable;
- iv. Medical and Professional Staff Bylaws of MMHI;

- v. Tennessee Code Annotated Title 33 (Mental Health and Developmental Disabilities Law); and
 - vi. Medicare and Medicaid under age twenty-one (21) and Medicaid over age sixty-five (65) standards when applicable.
- e. The Contractor's medical staff providing services hereunder shall participate in all appropriate quality assurance programs, including utilization review at MMHI.
- f. The Contractor shall have a Tennessee Bureau of Investigation (TBI) finger print check performed at MMHI as required by the new State policy for any Contractors and their staff who are to have contact with MMHI service recipients before being allowed to work at MMHI. The cost of the finger print check shall be credited against the invoice amount paid to the Contractor.
- g. The State shall not be responsible for accidents or injuries occurring during the hours the Contractor's personnel are on State property, unless directly resulting from the negligence of the State, its employees or agents. Any claims for personal injury or property damages shall be filed with the Claims Commission for the State of Tennessee, and damages recoverable shall be expressly limited to claims paid by the Commission.

A.5. Process:

- a. A committee shall be maintained to include representatives of MMHI and UT-affiliated units to monitor the performance of all parties, to recognize and address potential and actual problems arising in connection with the services hereunder, and to seek ways to develop and enhance the relationship between TDHMDD and UT. This committee shall be known as the "Collaborative Group".
- b. The Contractor shall provide supporting documentation which shall serve as evidence of performance.
- c. The three (3) Residents shall work under the supervision of the Psychiatrist covering the units to which the Residents are assigned.
- d. The average daily census (ADC) shall remain, whenever possible, at or below the nominated capacity for the unit.
- e. The Contractor shall ensure that psychiatrists allocate a minimum of eighty percent (80%) of their effort covered by this Contract to clinical responsibilities. The remaining twenty percent (20%) may be allocated to academic and research activities at UT and MMHI. The said twenty percent (20%) time may be spent on academic and research efforts at UT if approved in advance by MMHI. Requests for such time must be submitted by the Chair of the Department of Psychiatry at UT or his designee, describing the academic or research work being done, duration of the project, with a recommended schedule. MMHI will approve any request which does not conflict with the hospital's operational needs. This time allocation is comparable to that found in other academic/state affiliations. It shall be mutually understood that no UT service recipient care activity will occur during the hours per week covered by this Contract. It is further understood that MMHI service recipient care activity takes priority over academic or research activity during this same time period.

B. CONTRACT TERM:

- B.1. Contract Term. This Contract shall be effective for the period commencing on July 1, 2008 and ending on June 30, 2009. 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 such an extension of the contract term is effected prior to the current, contract expiration date by means of 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 payment 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 Five Hundred Forty Five Thousand Nine Hundred Fifty Seven Dollars (\$545,957.00). 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, profit, 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 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.

- C.2. Compensation Firm. The payment 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 payment 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.
 - a. The Contractor's compensation shall be contingent upon the satisfactory completion of units, milestones, or increments of service defined in Section A.
 - b. The Contractor shall be compensated for said units, milestones, or increments of service based upon the following payment rates:

Service Description	Amount (per compensable increment)
Two (2) Psychiatrist-Staff	\$932.44 ea/day
One (1) Resident-1 st year	\$229.18/day
One (1) Resident-2 nd year	\$240.19/day
One (1) resident-4 th year*	\$251.80/day
*Residency not used for 3 rd year students	

The Contractor will be allowed a maximum number of billable days per position per contract as follows:

Full-time Psychiatrist (2) will be allowed up to 1,672 hours or 209 days.

Resident-1st year will be allowed up to 1,760 hours or 220 days.

Resident-2nd & 4th year will be allowed up to 1,720 hours or 215 days.

- c. The Contractor shall not be compensated for travel time to the primary location of service provision.
 - d. A "day" shall be defined as a minimum of eight (8) hours of service. If the Contractor provides fewer than eight (8) hours of service in a standard twenty-four (24) hour day, the Contractor shall bill *pro rata* for only those portions of the day in which service was actually delivered. The Contractor shall not bill more than the daily rate even if the Contractor works more than eight (8) hours in a day.
- C.4. Travel Compensation. The Contractor shall not be compensated or reimbursed for travel, meals, or lodging.
- C.5. Invoice Requirements. The Contractor shall invoice the State only for completed increments of service and for the amount stipulated in Section C.3, above, and as required below prior to any payment.
- a. The Contractor shall submit invoices no more often than monthly, with all necessary supporting documentation, to:

Memphis Mental Health Institute, 951 Court Avenue, Memphis, TN 38103
 - b. The Contractor agrees that each invoice submitted shall clearly and accurately (all calculations must be extended and totaled correctly) detail the following required information.
 - (1) Invoice/Reference Number (assigned by the Contractor);
 - (2) Invoice Date;
 - (3) Invoice Period (period to which all invoiced charges are applicable);
 - (4) Contract Number (assigned by the State to this Contract);
 - (5) Account Name: TDMHDD, Memphis Mental Health Institute;
 - (6) Account/Customer Number (uniquely assigned by the Contractor to the above-referenced Account Name);
 - (7) Contractor Name;
 - (8) Contractor Federal Employer Identification Number or Social Security Number (as referenced in this Contract);
 - (9) Contractor Contact (name, phone, and/or fax for the individual to contact with billing questions);
 - (10) Contractor Remittance Address;
 - (11) Complete Itemization of Charges, which shall detail the following:
 - i. Service Description for each service invoiced;
 - ii. Number of Units, Increments, or Milestones of each service invoiced;
 - iii. Applicable Payment Rate (as stipulated in Section C.3.) for each service invoiced;
 - iv. Amount Due by Service;
 - v. Total Amount Due for the invoice period.
 - c. The Contractor understands and agrees that an invoice to the State under this Contract shall:

- (1) include only charges for service described in Contract Section A and in accordance with payment terms and conditions set forth in Contract Section C;
- (2) not include any future work but will only be submitted for completed service; and
- (3) not include sales tax or shipping charges.

d. The Contractor agrees that timeframe for payment (and any discounts) begins when the State is in receipt of each invoice meeting the minimum requirements above.

e. The Contractor shall complete and sign a "Substitute W-9 Form" provided to the Contractor by the State. The taxpayer identification number contained in the Substitute W-9 submitted to the State shall agree to the Federal Employer Identification Number or Social Security Number referenced in this Contract for the Contractor. The Contractor shall not invoice the State for services until the State has received this completed form.

C.6. Payment of Invoice. The payment of the invoice by the State shall not prejudice the State's right to object to or question any invoice or matter in relation thereto. Such payment by the State shall neither be construed as acceptance of any part of the work or service provided nor as an approval of any of the amounts invoiced therein.

C.7. Invoice Reductions. The Contractor's invoice shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by the State, on the basis of audits conducted in accordance with the terms of this Contract, not to constitute proper remuneration for compensable services.

C.8. Deductions. Pursuant to *Tennessee Code Annotated*, Section 9-4-604, the State is not to issue warrants for payments to persons who are in default to the State until such arrearages are paid. If applicable to the Contractor, the Contractor agrees that, should such an arrearage exist during the term of this Contract, the State shall have the right to deduct from payments due and owing to the Contractor any and all amounts as are necessary to satisfy the arrearage. Should a dispute arise concerning payments due and owing to the Contractor under this Contract, the State reserves the right to withhold said disputed amounts pending final resolution of the dispute.

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 ninety (90) 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. Any liability of the Contractor to the State and third parties for any claims, losses, or costs arising out of or related to acts performed by the Contractor under this agreement

shall be governed by the Tennessee Claims Commission Act, *Tennessee Code Annotated*, Section 9-8-301, *et seq.*

- 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 below pertaining to "Nondiscrimination," and "Records" (as identified by the section headings). Notwithstanding any use of approved subcontractors, the Contractor shall be the prime contractor and shall be responsible for all work performed.
- D.6. 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.7. Records. The Contractor shall maintain documentation for all charges 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.8. 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.9. Progress Reports. The Contractor shall submit brief, periodic, progress reports to the State as requested.
- D.10. 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.11. 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.
- D.12. State Liability. The State shall have no liability except as specifically provided in this Contract.
- D.13. 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, natural disasters, riots, wars, epidemics or any other similar cause.
- D.14. State and Federal Compliance. The Contractor shall comply with all applicable State and Federal laws and regulations in the performance of this Contract.
- D.15. 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.16. 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 certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by EMAIL or facsimile transmission with recipient confirmation. Any such communications, regardless of method of transmission, shall be addressed to the respective party at the appropriate mailing address, facsimile number, or EMAIL address as set forth below or to that of such other party or address, as may be hereafter specified by written notice.

The State:

Linda C. White, Fiscal Director
Memphis Mental Health Institute
951 Court Avenue
Memphis, TN 38103
Linda.White@state.tn.us
Telephone # (901) 577-1821
FAX # (901) 527-1324

The Contractor:

Ileen Mills
University of Tennessee Department of Psychiatry
135 North Pauline
Memphis, TN 38105
AMills@utmem.edu
Telephone # (901) 448-5631
FAX # (901) 448-5540

All instructions, notices, consents, demands, or other communications shall be considered effectively given upon receipt or recipient confirmation as may be required.

- 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.
- E.4. 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.5. HIPAA Compliance. The State and Contractor shall comply with obligations under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and its accompanying regulations.
- a. Contractor warrants to the State that it is familiar with the requirements of HIPAA and its accompanying regulations, and will comply with all applicable HIPAA requirements in the course of this Contract.
 - b. Contractor warrants that it will cooperate with the State, including cooperation and coordination with State privacy officials and other compliance officers required by HIPAA and its regulations, in the course of performance of the Contract so that both parties will be in compliance with HIPAA.
 - c. The State and the Contractor will sign documents, including but not limited to business associate agreements, as required by HIPAA and that are reasonably necessary to keep the State and Contractor in compliance with HIPAA. This provision shall not apply if information received by the State under this Contract is NOT "protected health information" as defined by HIPAA, or if HIPAA permits the State to receive such information without entering into a business associate agreement or signing another such document.
- E.6. 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.7. Public Accountability. If the Contractor is subject to *Tennessee Code Annotated*, Title 8, Chapter 4, Part 4 or 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 shall display in a prominent place, located near the passageway through which the public enters in order to receive services pursuant to this Contract, a sign at least twelve inches (12") in height and eighteen inches (18") in width stating:

NOTICE: THIS AGENCY IS A RECIPIENT OF TAXPAYER FUNDING. IF YOU OBSERVE AN AGENCY DIRECTOR OR EMPLOYEE ENGAGING IN ANY ACTIVITY WHICH YOU CONSIDER TO BE ILLEGAL, IMPROPER, OR WASTEFUL, PLEASE CALL THE STATE COMPTROLLER'S TOLL-FREE HOTLINE: 1-800-232-5454

E.8 Lobbying. The Contractor certifies, to the best of its knowledge and belief, that:

- a. No federal 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 an agency, a Member of Congress, an officer or employee of Congress, or an employee of 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, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
- b. If any funds other than federal 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.
- c. The Contractor shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into and is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, *U.S. Code*.

E.9. Debarment and Suspension. The Contractor certifies, to the best of its knowledge and belief, that it, its current and future principals, its current and future subcontractors and their 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 offense 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 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.

The Contractor shall provide immediate written notice to the State if at any time it learns that there was an earlier failure to disclose information or that due to changed circumstances, its principals or the principals of its subcontractors are excluded or disqualified.

E.10. Rule 2 Compliance. The State and the Contractor shall comply with obligations under Rule 2 of the Confidentiality of Alcohol and Drug Abuse Patient Records, and its accompanying regulations as codified at 42 CFR § 2.1 et seq.

- a. The Contractor warrants to the State that it is familiar with the requirements of Rule 2 of the Confidentiality of Alcohol and Drug Abuse Patient Records, and its accompanying regulations, and will comply with all applicable requirements in the course of this Contract.
- b. The Contractor warrants that it will cooperate with the State, including cooperation and coordination with State privacy officials and other compliance officers required by Rule 2 of the Confidentiality of Alcohol and Drug Abuse Patient Records, and its regulations, in the course of performance of the Contract so that both parties will be in compliance with Rule 2 of the Confidentiality of Alcohol and Drug Abuse Patient Records.
- c. The State and the Contractor will sign documents, including but not limited to business associate agreements, as required by Rule 2 of the Confidentiality of Alcohol and Drug Abuse Patient Records, and that are reasonably necessary to keep the State and the Contractor in compliance with Rule 2 of the Confidentiality of Alcohol and Drug Abuse Patient Records. This provision shall not apply if information received by the State under this Contract is NOT "protected health information" as defined by Rule 2 of the Confidentiality of Alcohol and Drug Abuse Patient Records, or if Rule 2 of the Confidentiality of Alcohol and Drug Abuse Patient Records permits the State to receive such information without entering into a business associate agreement or signing another such document.

E.11. Professional Practice. The Contractor shall assure that there is a code of conduct in place and applicable to all employees that covers, at minimum, business practices, clinical practices, and service recipient/staff interaction/fraternization. Further, Contractor's personnel shall conduct their practice in conformity with all applicable statutes, rules and regulations, and recognized ethical standards of their profession. Procedures for reporting violations of the ethical standards shall be developed and communicated to staff upon hire and annually thereafter, which shall include a non-reprisal approach for persons reporting suspected violations, as well as a description of possible sanctions for violating the standards. Failure to implement a code of conduct in accordance with this section and to adequately address suspected violations of the code of conduct may be cause for termination of this Contract.

IN WITNESS WHEREOF:

UNIVERSITY OF TENNESSEE:



JUN 17 2008

CONTRACTOR SIGNATURE
Anthony A. Patton
Vice Chancellor
Finance & Operations

DATE

PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)

TENNESSEE DEPARTMENT OF MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES :

Virginia T. Betts 6.30.08

VIRGINIA T. BETTS, MSN,JD,RN,FAAN, COMMISSIONER DATE

APPROVED:

M.D. Goetz, Jr. JP 7-3-08

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

John G. Morgan 7/7/08

JOHN G. MORGAN, COMPTROLLER OF THE TREASURY DATE