

CONTRACT #6
RFS # 345.49-622
FA # 07-21387-01

Human Services

VENDOR:
Lagan Technologies, Inc.



**STATE OF TENNESSEE
DEPARTMENT OF HUMAN SERVICES**

CITIZENS PLAZA BUILDING
400 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-1403

TELEPHONE: 615-313-4700 FAX: 615-741-4165
TTY: 1-800-270-1349
www.state.tn.us/humanserv/

PHIL BREDESEN
GOVERNOR

VIRGINIA T. LODGE
COMMISSIONER

March 29, 2010

Mr. James W. White, Executive Director
Tennessee General Assembly
Fiscal Review Committee
320 Sixth Ave., N.
8th Floor Rachel Jackson Building
Nashville, TN 34243

RECEIVED
MAR 29 2010
FISCAL REVIEW

Dear Mr. White:

Accompanying this correspondence is a *Request: Non-Competitive Amendment* form, which relates to the procurement of services from Lagan Technologies, Inc. for an Adult Protective Services system. At the outset, the contract resulting from this competitive procurement was designed to protect the State's interest if the Contractor failed to deliver the system according to the original timeframe. Because the contract requires State approval of each deliverable prior to the Contractor proceeding to the next phase of the project, the entire financial burden posed by any time extension rests with the Contractor. This amendment simply exercises the contract term extension available in Section B.2. There is no increase to the maximum liability.

We hope that this information facilitates favorable FRC evaluation of this request. However, if you require additional information, please contact Jeff Roberts at 615-313-4705. Otherwise, thank you for your attention to this matter.

Sincerely,

Virginia T. Lodge

Virginia T. Lodge
Commissioner

VTL:EJC/*hzb*

Attachments

Supplemental Documentation Required for
Fiscal Review Committee

*Contact Name:	Jeff Roberts	*Contact Phone:	615-313-4705		
*Original Contract Number:	FA 07-21387	*Original RFS Number:	34549-62207		
Edison Contract Number: <i>(if applicable)</i>	18333	Edison RFS Number: <i>(if applicable)</i>			
*Original Contract Begin Date:	June 1, 2007	*Current End Date:	May 31, 2010		
Current Request Amendment Number: <i>(if applicable)</i>	Three				
Proposed Amendment Effective Date: <i>(if applicable)</i>	June 1, 2010				
*Department Submitting:	Human Services				
*Division:	Adult and Community Services				
*Date Submitted:	March 29, 2010				
*Submitted Within Sixty (60) days:	Yes				
<i>If not, explain:</i>					
*Contract Vendor Name:	Lagan Technologies, Inc.				
*Current Maximum Liability:	\$1,672,000.00				
*Current Contract Allocation by Fiscal Year: <i>(as Shown on Most Current Fully Executed Contract Summary Sheet)</i>					
FY: 2007	FY: 2008	FY: 2009	FY: 2010	FY	FY
\$0.00	\$437,760.00	\$314,640.00	\$919,600.00	\$	\$
*Current Total Expenditures by Fiscal Year of Contract: <i>(attach backup documentation from STARS or FDAS report)</i> See back up documentation in Attachment A.					
FY: 2007	FY: 2008	FY: 2009	FY: 2010	FY	FY
\$0.00	\$437,760.00	\$0.00	\$331,640	\$	\$
IF Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:			This Contract prohibits payment to the Vendor until approval of deliverables by the State. Because the funding is provided through 100% Federal reimbursement, there are no surplus funds.		
IF surplus funds have been carried forward, please give the reasons and provide the authority for the carry forward provision:			N/A		
IF Contract Expenditures exceeded Contract Allocation, please give the reasons and explain how funding was acquired to pay the overage:			N/A		

Supplemental Documentation Required for
Fiscal Review Committee

*Contract Funding Source/Amount:	State:		Federal:	\$1,672,000.00
Interdepartmental:			Other:	
If "other" please define:				
Dates of All Previous Amendments or Revisions: <i>(if applicable)</i>			Brief Description of Actions in Previous Amendments or Revisions: <i>(if applicable)</i>	
Amendment #1 July 7, 2008			Term Extension, Contact Information Updated	
Amendment #2 June 1, 2009			Term Extension	
Method of Original Award: <i>(if applicable)</i>			RFP	
*What were the projected costs of the service for the entire term of the contract prior to contract award?			\$1,700,000.00	

Supplemental Documentation Required for Fiscal Review Committee

<p>For all new non-competitive contracts and any contract amendment that changes Sections A or C.3. of the original or previously amended contract document, provide estimates based on information provided the Department by the vendor for determination of contract maximum liability. Add rows as necessary to provide all information requested.</p>					
<p>If it is determined that the question is not applicable to your contract document attach detailed explanation as to why that determination was made.</p>					
<p>Planned expenditures by fiscal year by deliverable. Add rows as necessary to indicate all estimated contract expenditures.</p>					
Deliverable description:	FY:	FY:	FY:	FY:	FY:
<p>This amendment does not change any of the deliverables specified in Section A nor the payment methodology outlined in Section C.3., thus this section does not apply.</p>					
<p>Proposed savings to be realized per fiscal year by entering into this contract. If amendment to an existing contract, please indicate the proposed savings to be realized by the amendment. Add rows as necessary to define all potential savings per deliverable.</p>					
Deliverable description:	FY:	FY:	FY:	FY:	FY:
<p>The alternative to the proposed term extension amendment would be the termination of the contract and the issuance of a new RFP for the system. This would result in significant additional cost to the State.</p>					
<p>Comparison of cost per fiscal year of obtaining this service through the proposed contract or amendment vs. other options. List other options available (including other vendors), cost of other options, and source of information for comparison of other options (e.g. catalog, Web site). Add rows as necessary to indicate price differentials between contract deliverables.</p>					
Proposed Vendor Cost: (name of vendor)	FY:	FY:	FY:	FY:	FY:
Other Vendor Cost: (name of vendor)	FY:	FY:	FY:	FY:	FY:
Other Vendor Cost: (name of vendor)	FY:	FY:	FY:	FY:	FY:

ATTACHMENT A

**Payments Made in STARS
07-08 FY**

BATCH	BDEPT	BDATE	T	NO	SEQ	D	OPER
34549071023D49A000010	34549	071023	D	49A	00001	0	NG8
34549080227D49A000120	34549	080227	D	49A	00012	0	NG8

TID	EFFDATE	FFY	DMI	TC	M	CC	DEPT
DE01S00	071023	08	3	103	P	APSLA	34549
DE01S00	080227	08	3	103	P	APSLA	34549

FDD	OBJ	LOC	GRANT	VENDOR	INVOICE	CURDOC	REFDOC
1100	134	96	SSB007	V27007851400	9/25/07	011600	FA0721387
1100	134	96	SSB007	V27007851400	INV00030	020311	FA0721387

REFDOCSUF	DUEDATE	WARRANT	AMOUNT	DESCRIPTION	REDEEM
00	071023	R388897	\$123,120.00	345.49 FA0721387 9/25/07	071026
00	080227	R541100	\$314,640.00	345.49 FA0721987 2/26/08	080303
			\$437,760.00		

VENDORNAME	ADDR1	ADDR2	CITY	STATE	ZZIP	PDATE
LAGAN TECHNOLOGIES INC	TWO DEMOCRACY CENTER	6903 ROCKLEDGE DR STE 920	BETHESDA	MD	20817	071024
LAGAN TECHNOLOGIES INC	TWO DEMOCRACY CENTER	6903 ROCKLEDGE DR STE 920	BETHESDA	MD	20817	080228

08-09 FY

No Payments Made

09-10 FY

BATCH	BDEPT	BDATE	T	NO	SEQ	D	OPER
34549090813D49A000010	34549	090813	D	49A	00001	0	KV2

TID	EFFDATE	FFY	DMI	TC	M	CC	DEPT
#DE01S04	090813	10	3	103	P	APSLA	34549

FDD	OBJ	LOC	GRANT	VENDOR	INVOICE	CURDOC	REFDOC
1100	134	96	SSB009	V27007851400	INVUS 122	049605	FA0721387

REFDOCSUF	DUEDATE	WARRANT	AMOUNT	DESCRIPTION	REDEEM
04	090813	S119472	\$314,640.00	345.49 FA0721387 6/09	090818

VENDORNAME	ADDR1	ADDR2	CITY	STATE	ZZIP	PDATE
LAGAN TECHNOLOGIES INC	TWO DEMOCRACY CENTER	6903 ROCKLEDGE DR STE 920	BETHESDA	MD	20817	090814

ATTACHMENT A

Payments Made in Edison

09-10 FY

Unit	Voucher	Invoice	Remit Vndr	Name	Gross Amt	Reference	Pymnt Date	Recon Status	Warrant Amount	Method
34549	00003445	INVUS 170	0000120528	Lagan Technologies Inc	17,000.00	0000286739	3/12/2010	UNR	17,000.00	EFT

NON-COMPETITIVE AMENDMENT REQUEST:

APPROVED

Commissioner of Finance & Administration

1) RFS #	34549-00310	
2) Procuring Agency :	Department of Human Services (DHS)	
EXISTING CONTRACT INFORMATION		
3) Service Caption :	Adult Protective Services System	
4) Contractor :	Lagan Technologies, Inc.	
5) Contract #	FA 07-21387	
6) Contract Start Date :	June 1, 2007	
7) CURRENT Contract End Date : (if ALL options to extend the contract are exercised)	May 31, 2010	
8) CURRENT Maximum Cost : (if ALL options to extend the contract are exercised)	\$1,672,000.00	
PROPOSED AMENDMENT INFORMATION		
9) Amendment #	Three	
10) Amendment Effective Date : (attached explanation required if < 60 days after F&A receipt)	June 1, 2010	
11) PROPOSED Contract End Date : (if ALL options to extend the contract are exercised)	May 31, 2011	
12) PROPOSED Maximum Cost : (if ALL options to extend the contract are exercised)	\$1,672,000.00	
13) Approval Criteria : (select one)	<input checked="" type="checkbox"/> use of Non-Competitive Negotiation is in the best interest of the state <input type="checkbox"/> only one uniquely qualified service provider able to provide the service	
14) Description of the Proposed Amendment Effects & Any Additional Service :		
This amendment extends the term to complete development and successful implementation of the new Adult Protective Services (APS) system. It does <u>not</u> increase the maximum liability of the contract.		
15) Explanation of Need for the Proposed Amendment :		
The term extension amendment is needed in order to ensure delivery of a quality product. The current contract places the financial burden of this extension on the Vendor.		
16) Name & Address of Contractor's Current Principal Owner(s) : (not required for a TN state education institution)		
Lagan Technologies, Inc. Two Democracy Center 6903 Rockledge Bethesda, MD 20817		

17) Office for Information Resources Endorsement : (required for information technology service; n/a to THDA)

Documentation is ... **Not Applicable to this Request** **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 :

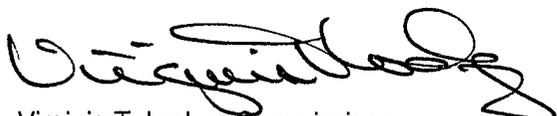
This contract was issued via a RFP process. Lagan Technologies, Inc. was the best-evaluated proposer, and their cost bid was significantly less than the other two proposers. Because neither the contract requirements nor the maximum liability are changing, DHS is not changing the competitive nature of the bids, and it is in the State's best interest to continue doing business with Lagan.

21) Justification for the Proposed Non-Competitive Amendment :

Because the maximum liability of the contract has not changed and the competitive nature of the original RFP process has not been impacted, it is in the State's best interest to extend the time frame and continue doing business with Lagan.

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)



Virginia T. Lodge, Commissioner

DATE: 3/29/10



CONTRACT AMENDMENT

Agency Tracking # 34549-62207		Edison ID 18333	Contract # FA 07-21387	Amendment # 3
Contractor Lagan Technologies, Inc.		Contractor Federal Employer Identification # or Social Security # <input type="checkbox"/> C- or <input checked="" type="checkbox"/> V- 270078514-00		
Amendment Purpose/Effect Adult Protective Services System				
Contractor Begin Date June 1, 2007		Contractor End Date May 31, 2011		Subrecipient or Vendor <input type="checkbox"/> Subrecipient <input checked="" type="checkbox"/> Vendor
				CFDA # (s) 93.667
FY	State	Federal	Interdepartmental	Other
2007	\$0.00	\$0.00	\$0.00	\$0.00
2008	\$0.00	\$437,760.00	\$0.00	\$0.00
2009	\$0.00	\$314,640.00	\$0.00	\$0.00
2010	\$0.00	\$919,600.00	\$0.00	\$0.00
2011	\$0.00	\$0.00	\$0.00	\$0.00
				\$0.00
TOTAL:	\$0.00	\$1,672,000.00	\$0.00	\$0.00
American Recovery and Reinvestment Act (ARRA) Funding - <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO				
~ COMPLETE FOR AMENDMENTS ~			Agency Contact & Telephone #	
END DATE AMENDED? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO			Vicki Angel (615) 313-6697	
FY	Base Contract & Prior Amendments	This Amendment ONLY	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)	
2007	\$0.00	\$0.00	Jeffrey W. Roberts	
2008	\$437,760.00	\$0.00		
2009	\$314,640.00	\$0.00		
2010	\$919,600.00	\$0.00		
2011	\$0.00	\$0.00		
			Speed Code	Account Code
			HS00000741	70812001
TOTAL:	\$1,672,000.00	\$0.00		
~ OCR USE ~			Procurement Process Summary (non-competitive, FA- or ED-type only) Procured via a RFP process.	

**AMENDMENT THREE
TO FA 07-21387**

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

1. The text of Contract Section A.6. is deleted in its entirety and replaced with the following:
 - A.6. Project Schedule. The Contractor shall develop and successfully implement the new APS system. The State-approved project schedule shall reflect key project milestone activities by product development phase and corresponding dates. The State-approved project schedule shall provide a minimum of ten (10) weeks for the User Acceptance Test Phase and eight (8) weeks for the Post-Implementation Support Phase. The Project Schedule shall include 1 to 2 weeks to implement and test the system in one pilot location before rolling the system out to the entire state. The initial Project Schedule and any subsequent changes to the Project Schedule shall require State approval.
2. 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 June 1, 2007, and ending on May 31, 2011. The State shall have no obligation for services rendered by the Contractor which are not performed within the specified period.
3. The text of Contract Section B.2. is deleted in its entirety and replaced with the following:
 - 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 four (4) 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. 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 revisions set forth herein shall be effective June 1, 2010. All other terms and conditions not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF,

LAGAN TECHNOLOGIES, INC.:

DES SPEED, CHIEF EXECUTIVE OFFICER

DATE

DEPARTMENT OF HUMAN SERVICES:

VIRGINIA T. LODGE, COMMISSIONER

DATE

CONTRACT SUMMARY SHEET

121107

RFS #		Contract #			
345.49-622-07		FA 07-21387-02			
State Agency		State Agency Division			
Department of Human Services		Adult & Community Services			
Contractor Name		Contractor ID # (FEIN or SSN)			
Lagan Technologies, Inc.		<input type="checkbox"/> C- or <input checked="" type="checkbox"/> V- 270078514-00			
Service Description					
Adult Protective Services					
Contract BEGIN Date		Contract END Date		Subrecipient or Vendor?	CFDA #
June 1, 2007		May 31, 2010		Vendor	93.667
Mark Each TRUE Statement					
<input checked="" type="checkbox"/> Contractor is on STARS			<input checked="" 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
345.49	APSLA	134	11	N/A	N/A
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2007	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2008	\$0.00	\$437,760.00	\$0.00	\$0.00	\$437,760.00
2009	\$0.00	\$314,640.00	\$0.00	\$0.00	\$314,640.00
2010	\$0.00	\$919,600.00	\$0.00	\$0.00	\$919,600.00
					\$0.00
					\$0.00
TOTAL	\$0.00	\$1,672,000.00	\$0.00	\$0.00	\$1,672,000.00
COMPLETE FOR AMENDMENTS ONLY			State Agency Fiscal Contact & Telephone #		
FY	Base Contract & Prior Amendments	THIS Amendment ONLY	Vicki Angel (615) 313-6697		
2007	\$0.00	\$0.00	State Agency Budget Officer Approval Jeffrey W. Roberts		
2008	\$1,098,500.00	(\$660,740.00)			
2009	\$573,500.00	(\$258,860.00)			
2010	\$0.00	\$919,600.00			
TOTAL	\$1,672,000.00	\$0.00	Funding Certification (certification required by T.C. Act 9-21513 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)		
End Date	5/31/2010	5/31/2010			
Contractor Ownership (complete for ALL base contracts - N/A to amendments or delegated authorities)					
<input type="checkbox"/> African American	<input type="checkbox"/> Person w/ Disability	<input type="checkbox"/> Hispanic	<input type="checkbox"/> Small Business	<input type="checkbox"/> Government	
<input type="checkbox"/> Asian	<input type="checkbox"/> Female	<input type="checkbox"/> Native American	<input type="checkbox"/> NOT Minority/Disadvantaged	<input type="checkbox"/> Other	
Contractor Selection Method (complete for ALL base contracts - N/A to amendments or delegated authorities)					
<input type="checkbox"/> RFP	<input type="checkbox"/> Competitive Negotiation*	<input type="checkbox"/> Alternative Competitive Method*			
<input 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)					

OCR
FEB 09 2009
RECEIVED



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

Sen. Douglas Henry, Vice-Chairman
Senators

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

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

DATE: September 12, 2008

SUBJECT: **Contract Comments**
(Contract Services Subcommittee Meeting 9/9)

RFS# 345.49-622

Department: Human Services

Contractor: Lagan Technologies, Inc.

Summary: The original contract was for the provision of services related to the Adult Protective Services (APS) system used by the Department. This is a web-based application used by APS workers in the field. The proposed amendment extends the contract an additional four months, through May 31, 2009.

Maximum liability: \$1,672,000

Maximum liability w/amendment: \$1,672,000

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

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

CC
BK

CITIZENS PLAZA BUILDING
400 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-1403

TELEPHONE: 615-313-4700 FAX: 615-741-4165
TTY: 1-800-270-1349
www.state.tn.us/humanserv/

PHIL BREDESEN
GOVERNOR

VIRGINIA T. LODGE
COMMISSIONER

August 6, 2008

RECEIVED

AUG 06 2008

FISCAL REVIEW

Mr. James W. White, Executive Director
Tennessee General Assembly
Fiscal Review Committee
320 Sixth Ave., N.
8th Floor Rachel Jackson Building
Nashville, TN 34243

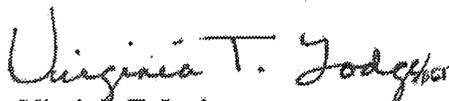
Dear Mr. White:

Accompanying this correspondence is a *Request: Non-Competitive Amendment* form, which relates to the procurement of services from Lagan Technologies, Inc., to develop and implement an Adult Protective Services (APS) system for our department. Through this amendment, DHS seeks to extend the term of the contract by four months. However the maximum liability of the contract remains unchanged.

Lagan Technologies, Inc. was awarded this contract via a request for proposals (RFP) process, with a cost bid that was significantly less than the other two proposers. The contract began in June of 2007, and the project is well under way. Therefore, it is not prudent to change to another vendor at this time, and doing so would in fact cost the State time, money, and productivity.

Because this amendment did not seek to change the maximum liability or project payment milestones, we had not anticipated the need for submitting a *Request: Non-Competitive Amendment* form, until the Office of Contracts Review informed us that we must do so. We respectfully request the approval of this non-competitive amendment request so that the work on this project may continue, and we are confident that Tennessee's senior adults in need of protective services will benefit from such a decision. Thank you for your consideration of this request. If you have questions, please direct them to Sandra Gray, Director of Contract Performance and Administration, via e-mail at Sandra.Gray@state.tn.us or via phone at 615.313-4794.

Sincerely,



Virginia T. Lodge
Commissioner

Attachments

VTL:SRG

REQUEST: NON-COMPETITIVE AMENDMENT

APPROVED

Commissioner of Finance & Administration

Date:

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

1) RFS #	345.49-622.75	
2) State Agency Name :	Department of Human Services (DHS)	
EXISTING CONTRACT INFORMATION		
3) Service Caption :	Adult Protective Services System	
4) Contractor :	Lagan Technologies, Inc.	
5) Contract #	FA 07-21387-01	
6) Contract Start Date :	June 1, 2007	
7) <u>Current</u> Contract End Date IF <u>all</u> Options to Extend the Contract are Exercised :	January 31, 2009	
8) <u>Current</u> Total Maximum Cost IF <u>all</u> Options to Extend the Contract are Exercised :	\$1,672,000.00	
PROPOSED AMENDMENT INFORMATION		
9) <u>Proposed</u> Amendment #	01	
10) <u>Proposed</u> Amendment Effective Date : (attached explanation required if date is < 60 days after F&A receipt)	July 7, 2008	
11) <u>Proposed</u> Contract End Date IF <u>all</u> Options to Extend the Contract are Exercised :	May 31, 2009	
12) <u>Proposed</u> Total Maximum Cost IF <u>all</u> Options to Extend the Contract are Exercised :	\$1,672,000.00	
13) Approval Criteria : (select one)	<input checked="" type="checkbox"/> use of Non-Competitive Negotiation is in the best interest of the state	
	<input type="checkbox"/> only one uniquely qualified service provider able to provide the service	
14) Description of the Proposed Amendment Effects & Any Additional Service :		
This amendment provides an additional time for the Contractor to develop and successfully implement a new Adult Protective Services (APS) system. It does <u>not</u> increase the maximum liability of the contract.		
15) Explanation of Need for the Proposed Amendment :		
Because this amendment does not increase the maximum liability of the contract, the Department of Human Services determined that it		

is in the best interest of the State to extend the contract term in order to insure a quality product.

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

Lagan Technologies, Inc.
Two Democracy Center
6903 Rockledge, Suite 920
Bethesda, MD 20817

17) Documentation of Office for Information Resources Endorsement :
(required only if the subject service involves information technology; N/A to THDA requests)

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 :

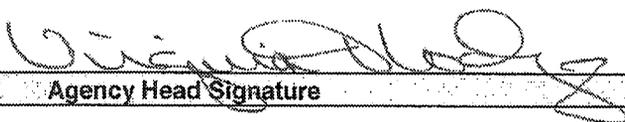
This contract was issued via an RFP process. Lagan Technologies, Inc. was the best-evaluated proposer, and their cost bid was significantly less than the other two proposers. Because neither the contract requirements nor the maximum liability are changing, DHS is not changing the competitive nature of the bids, and it is in the State's best interest to continue doing business with Lagan.

21) Justification for the Proposed Non-Competitive Amendment :

Because the maximum liability of the contract has not changed and the competitive nature of the original RFP process has not been impacted, it is in the State's best interest to extend the time frame and continue doing business with Lagan.

REQUESTING AGENCY HEAD SIGNATURE & DATE :

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



Agency Head Signature

08/04/08

Date

CONTRACT SUMMARY SHEET

121167

RFS # 345.49-622-07	Contract # FA 07-21387-01
State Agency Department of Human Services	State Agency Division Adult & Community Services
Contractor Name Lagan Technologies, Inc.	Contractor ID # (FEIN or SSN) C- or <input checked="" type="checkbox"/> V- 270078514-00

Service Description
Adult Protective Services

Contract BEGIN Date June 1, 2007	Contract END Date May 31, 2009	Subrecipient or Vendor? Subrecipient	CFDA # 93.667
--	--	--	-------------------------

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
345.49	APSLA	134	11	N/A	N/A
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2007	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2008	\$0.00	\$1,098,500.00	\$0.00	\$0.00	\$1,098,500.00
2009	\$0.00	\$573,500.00	\$0.00	\$0.00	\$573,500.00
					\$0.00
					\$0.00
TOTAL:	\$0.00	\$1,672,000.00	\$0.00	\$0.00	\$1,672,000.00

COMPLETE FOR AMENDMENTS ONLY

FY	Base Contract & Prior Amendments	THIS Amendment ONLY	State Agency Fiscal Contact & Telephone # Vicki Angel (615) 313-6697
2007	\$0.00	\$0.00	Jeffrey W. Roberts
2008	\$1,098,500.00	\$0.00	
2009	\$573,500.00	\$0.00	
TOTAL:	\$1,672,000.00	\$0.00	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)
End Date	5/31/2009	5/31/2009	

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

<input type="checkbox"/> African American	<input type="checkbox"/> Person w/ Disability	<input type="checkbox"/> Hispanic	<input type="checkbox"/> Small Business	<input type="checkbox"/> Government
<input type="checkbox"/> Asian	<input type="checkbox"/> Female	<input type="checkbox"/> Native American	<input type="checkbox"/> NOT Minority/Disadvantaged	<input type="checkbox"/> Other

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

<input checked="" type="checkbox"/> Non-Competitive Negotiation*	<input type="checkbox"/> Competitive Negotiation*	<input type="checkbox"/> Alternative Competitive Method*
<input type="checkbox"/> Negotiation w/ Government (ID, GO, GU)	<input type="checkbox"/> Other	

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

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FISCAL REVIEW

**AMENDMENT 1
TO FA 07-21387-00**

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

1. The text of Contract Section A.6 is deleted in its entirety and replaced with the following:
 - A.6. Project Schedule. The Contractor shall develop and successfully implement the new APS system in twenty-four (24) months or less. The State-approved project schedule shall reflect key project milestone activities by product development phase and corresponding dates. The State-approved project schedule shall provide a minimum of ten (10) weeks for the User Acceptance Test Phase and eight (8) weeks for the Post-Implementation Support Phase. The Project Schedule shall include 1 to 2 weeks to implement and test the system in one pilot location before rolling the system out to the entire state. The initial Project Schedule and any subsequent changes to the Project Schedule shall require State approval.

2. 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 June 1, 2007, and ending on May 31, 2009. The State shall have no obligation for services rendered by the Contractor which are not performed within the specified period.

3. The text of Contract Section E.2 is deleted in its entirety and replaced with the following:
 - 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:

Lynne Diver, APS System Contract Manager
Tennessee Department of Human Services
400 Deaderick Street, 4th floor
Nashville, TN 37243-1403
(615) 313-5281 (Office)
(615) 313-6651 (Fax)

The Contractor:

John Murray
Legal Counsel
Lagan Technologies, Inc.
Two Democracy Center
6903 Rockledge,
Suite 920,
Bethesda, MD 20817
011-44-28-9078-8305 (Office)
011-44-7967-288981 (Cell)
011-44-28-9078-8339 (Fax)

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

**AMENDMENT 1
TO FA 07-21387-00**

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.

4. The text of Contract Section E.20 is deleted in its entirety and replaced with the following:

E.20 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.

The revisions set forth herein shall be effective July 7, 2008. All other terms and conditions not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF:

LAGAN TECHNOLOGIES, INC.:



DES SPEED, CHIEF EXECUTIVE OFFICER



DATE

AMENDMENT 1
TO FA 07-21387-00

DEPARTMENT OF HUMAN SERVICES:

Virginia T. Lodge 10/18/08
VIRGINIA T. LODGE, COMMISSIONER DATE

APPROVED:

M.D. Goetz, Jr. 10/08/2008
M. D. GOETZ, JR., COMMISSIONER DATE
DEPARTMENT OF FINANCE AND ADMINISTRATION

John G. Morgan 10/9/08
JOHN G. MORGAN, COMPTROLLER OF THE TREASURY DATE

081607



FAX/EMAIL TRANSMITTAL

to Request OIR Procurement Endorsement

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

FROM : Sandra Gray, Director
Contract Performance and Administration FAX # 313-5356
Department of Human Services

DATE : August 5, 2008

RFS # 345.49-622-75-

RE : Procurement Endorsement — Lagan Technologies, Inc.

INFORMATION SYSTEMS PLAN PROJECT: PROJECT NUMBER DE49610

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

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

As presented by Commissioner Lodge in our Department's meeting with the IT-ABC, the APS project with Lagan Technologies, Inc. is going well. However in order to insure quality, we are seeking to extend the time frame. This communication seeks to ensure that OIR is aware of the amendment to this procurement and has an opportunity to review the matter. Please determine whether OIR is supportive of this amendment. If you have any questions or concerns about this matter, please call Sandra Gray at 615-313-4794.

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

Thank you for your help.

Attachment(s)

OIR Endorsement :

Mark Bengaly

8/5/08

OIR Chief Information Officer

Date



FAX TRANSMITTAL

TO : Bill Ezell, Chief Information Officer
 Office for Information Resources **FAX #** 532-0471
FROM : Leesa Bray, RFP Coordinator **FAX #** (615) 741-2185
DATE : June 16, 2006
RFS # 345.49-622
RE : Procurement Endorsement — Adult Protective Services (APS)
 System

NUMBER OF FAX PAGES (including cover) : NUMBER

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 Leesa Bray at 313-3797.

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

Thank you for your help.

Attachment(s)

OIR Endorsement :

Bill Ezell (pc)

7/10/06

OIR Chief Information Officer Signature

Date

CONTRACT SUMMARY SHEET

060706

RFS # 345.49-622	Contract # FA-07-2138700
State Agency DEPARTMENT OF HUMAN SERVICES	State Agency Division ADULT & COMMUNITY SERVICES
Contractor Name LAGAN TECHNOLOGIES, INC.	Contractor ID # (FEIN or SSN) <input type="checkbox"/> C- or <input checked="" type="checkbox"/> V- V270078514-00

Service Description
ADULT PROTECTIVE SERVICES

Contract Begin Date June 01, 2007	Contract End Date January 31, 2009	SUBRECIPIENT or VENDOR? SUBRECIPIENT	CFDA # 93.667
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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
345.49	APSLA	134	NA	NA	NA
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2007	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2008	\$0.00	\$1,098,500.00	\$0.00	\$0.00	\$1,098,500.00
2009	\$0.00	\$573,500.00	\$0.00	\$0.00	\$573,500.00
TOTAL:	\$0.00	\$1,672,000.00	\$0.00	\$0.00	\$1,672,000.00

— COMPLETE FOR AMENDMENTS ONLY —			State Agency Fiscal Contact & Telephone #
FY	Base Contract & Prior Amendments	THIS Amendment ONLY	Vicki Angel 400 Deaderick Street, Citizens Plaza Building - 5th Floor, Nashville, TN 37248 (615) 313-6697
			State Agency Budget Officer Approval Jeffrey W. Roberts May 17, 2007
			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)
TOTAL:	\$0.00	\$0.00	
End Date:			

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)

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DIRECTOR OF ACCOUNTS

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TDHS Fiscal Services
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**CONTRACT
BETWEEN THE STATE OF TENNESSEE,
DEPARTMENT OF HUMAN SERVICES
AND
Lagan Technologies, Inc.**

This Contract, by and between the State of Tennessee, Department of Human Services, hereinafter referred to as the "State" and Lagan Technologies, Inc., hereinafter referred to as the "Contractor," is for the provision of services to manage, design, construct, test, pilot, deploy, train, transition and temporarily support an Adult Protective Services (APS) system, as further defined in the "SCOPE OF SERVICES."

The Contractor is A FOR-PROFIT CORPORATION. The Contractor's address is:

Two Democracy Center
6903 Rockledge Drive, Suite 920
Bethesda, MD 20817

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

A. SCOPE OF SERVICES: The Contractor agrees to provide the State with services in accordance with the requirements expressed herein and in the Request for Proposal for an Adult Protective Services (APS) system (RFP #345.49-622) including its attachments and any subsequent amendments, which are incorporated herein and made a part of this Contract.

A.1. General Scope.

The current phase of the State's APS Project has resulted in the documentation of the State's requirements and business rules to develop an APS System. This phase will be complete when a vendor has been selected and a contract with the State is executed. The next phase, the General Design Phase, will then be initiated. This Contract will begin with the General Design Phase. The Contractor shall assume that all activities and deliverables assigned to the Contractor in the Scope of Services will be the responsibility of the Contractor.

The APS project team has documented requirements, business rules, and developed models in the following functional areas, and is using the following list as its initial scope of functionality for the new APS system:

- a. Referral Intake and Screening
- b. Referral Assignment to a Case
- c. Referral Case Assignment/Re-Assignment to APS Counselor or Supervisor
- d. Client/Person Demographic and Other Personal Information
- e. Person Relationships to Client
- f. Person Role Assignments
- g. Investigation of Allegations (Abbreviated and Full; Facility and Non-Facility)
- h. Case Management (Appointment Scheduling, Calendars, Alerts, and Ticklers)
- i. Case Recordings
- j. Client Risk Assessment
- k. Legal Intervention Requests and Resulting Petitions and/or Court Orders
- l. Client Service Plan
- m. Case Quality Assurance Review Results
- n. Standard and Customized Messages, Notification Documents, Review Checklists and Forms
- o. Case Team Staffing and Meeting Results
- p. Case Closure

q. Interface with the State of Tennessee's Enterprise Content Management (ECM) infrastructure for Document Management/Document Imaging

The Contractor shall develop a web-based, integrated application that supports the State's APS program in responding to the health and protection needs of Tennessee's vulnerable adults and meets the requirements as defined in this Contract. The Contractor shall provide an application that is designed to utilize common and reusable components and that is modular, scaleable, and flexible in design. The Contractor shall utilize the State's product development methodology to support the development and implementation of the application that will be provided in accordance with the terms of this Contract. The Contractor shall utilize this methodology and development standards in the development of the APS system to promote application consistency and continued flexibility of the application for the life of the APS system.

The APS system shall provide three methods of data input: mouse, keyboard and hand-writing recognition capability.

The APS system shall include a mobile application to support APS workers that are responsible for investigating allegations of abuse, neglect, and exploitation to vulnerable adults in homes, facilities, and other locations outside the APS office. This mobile application will allow an APS worker to download up to twenty (20) cases to their tablet, update case data collected during interviews and investigation activities, and later upload the updated case data to the central APS database.

Methods of data input for the APS system shall include the keyboard and hand-writing recognition capability. Security measures, including data encryption, shall be provided to protect the confidential data being transmitted from the database to the tablet and from the tablet to the central database and the case data that temporarily resides on the tablet.

The new APS system shall integrate seamlessly with the new DHS enterprise document imaging solution that will be developed using FileNet products.

The development of the APS call center is not in the scope of this project. DHS staff will use existing I3 technology to support the APS referral intake process. Although this application will be utilized by APS staff, there will not be a system interface between the call center and the new APS system. The APS call center will be a phone system utilized by DHS intake counselors that tracks statistics of phone calls and records calls in the call center database.

The APS system will provide the capability to generate standard and customized forms, messages, and review checklists relating to APS referrals, cases, clients and other persons named in a referral or case. The capability must be provided to generate standard reports and ad-hoc queries. Workflow will be automated in the new APS system. Standard case management functions will be provided such as appointment scheduling, calendars, ticklers, and alerts.

The APS system will replace the existing ACSS system and will automate the workflow and many business functions that are currently performed manually by APS staff. Data from the ACSS system will be exported from the legacy database to a new set of tables in the APS database that contain only legacy data. Legacy data from ACSS will not be converted and integrated into the new relational APS structure. The Contractor shall provide functionality to allow an authorized APS user to search for persons in separate tables within the APS database that contain historical data that was exported from the legacy ACSS system. The system shall allow the user to select a person from search results and view historical referrals and cases.

The State shall be responsible for the manual transfer of open referral and case information from ACSS to the new APS database and for keying any data missing or not provided in the legacy database that is required in the new APS system.

Under the terms of this contract, the Contractor is required to develop software to meet the requirements, business rules, and models and to develop deliverables identified herein:

Attachment A: Functional Requirements

Attachment B: Business Rules

Attachment C: Business Process Model

Attachment D: Conceptual Data Model, Relationship Business Rules, Entity Definitions, Attribute Definitions, and Reference Table List Values

Attachment E: General System Requirements

Attachment F: State Technical and Architectural Requirements

Attachment G: Reports, Correspondence, Notifications, and Forms

Attachment K: Security and Audit Requirements

Attachment H: Contractor Deliverables Required by Product Development Phase

The Contractor's responses to the attachments listed above become part of this contract upon execution.

- A.2. Information Technology Methodology (ITM). The Contractor shall utilize the State's ITM in the development of the APS system. The Project Management Processes are concerned with organizing and controlling the work of the project and extend over one or more Product Development Phases. The Product Development Phases are concerned with developing the product that the project is intended to produce. Throughout the project, the Contractor shall produce various Project Management Process and Product Development Phase deliverables. Some of these products are specific deliverables that are managed, produced, and updated by the Contractor, while others are products arising out of the shared effort of both parties. The minimum set of deliverables and responsibilities are defined within this Contract and its attachments. See Contract Attachment H for a summary of Contractor Deliverables by Product Development Phases.

The APS project shall include the following Product Development Phases:

- a. General Design Phase
- b. Detailed Design Phase
- c. Construction Phase
- d. Acceptance Test Phase
- e. Implementation Phase
- f. Post-Implementation Support Phase

The Contractor's portion of the APS project shall begin with the "General Design Phase."

- A.3. Tennessee Information Resources Architecture and Standard Products List. The APS system shall be developed in accordance with the Tennessee Information Resources Architecture utilizing approved State products.
- A.4. Software Development Standards and Compliance
- A.4.a. Software Development Standards. The Contractor shall provide Development Standards, which will be utilized in the design and construction of the APS system. The Development Standards shall promote design consistency and reusability and provide a user-friendly graphical user interface (GUI) with a common "look and feel" that facilitates user training. These standards shall

include, but not be limited to GUI standards for screen design, report formats, class and object library.

- A.4.b. Software Compliance. All software shall be fully "Year 2000 Compliant" in accordance with the Department of Finance and Administration's Standards and Guidelines memo, Subject: "Year 2000 Compliance Standards for Dates and Applications".
- A.5. Comprehensive Project Plan. The Comprehensive Project Plan shall outline the Contractor's approach for developing a quality web-based, integrated, application in accordance with the State-approved implementation schedule and to meet the State's requirements, as defined within this Contract and the attachments. The Contractor shall provide electronic access to the Comprehensive Project Plan and shall develop the plan in accordance with the State's ITM.

The Comprehensive Project Plan shall be created during the General Design Phase and shall be updated throughout the project.

- A.6. Project Schedule. The Contractor shall develop and successfully implement the new APS system in eighteen (18) months or less. The State-approved project schedule shall reflect key project milestone activities by product development phase and corresponding dates. The State-approved project schedule shall provide a minimum of ten (10) weeks for the User Acceptance Test Phase and eight (8) weeks for the Post-Implementation Support Phase. The Project Schedule shall include 1 to 2 weeks to implement and test the system in one pilot location before rolling the system out to the entire state. The initial Project Schedule and any subsequent changes to the Project Schedule shall require State approval.
- A.7. Master Project Work Plan. The Contractor shall create a Master Project Work Plan that includes all known tasks for the duration of the project, including the critical path time line. The Master Project Work Plan shall reflect the State-approved implementation schedule and shall cover the entire project, including each product development phase. The Master Project Work Plan shall be created during the General Design Phase and shall be reviewed weekly with the State Project Manager. The Master Project Work Plan shall be updated throughout the project to reflect current information.
 - A.7.a. Software Requirements for Master Project Work Plan. The Contractor shall create the Master Project Work Plan using Microsoft Project version 2000 or later and shall provide web access to the Master Project Work Plan, so that the State can assess schedule risk independently. The Contractor shall identify the tasks for which the State is to procure each software package, including the version of the software and the date required by the Contractor for installation of the software in the Master Project Work Plan.
 - A.7.b. Content of Master Project Work Plan. The Master Project Work Plan shall include the following:
 - 1) Work Breakdown Structure. A work breakdown structure of the major phases of the project, accounting for all tasks, deliverables and milestones shall be provided.
 - 2) Timetables. The Master Project Work Plan shall provide adequate time for the State to review, provide feedback, and approve all deliverables, revisions, or corrections. A timetable shall be developed for each task, deliverable, and milestone, including estimated start and completion dates, actual start and completion dates, estimated and actual task hours, and completion percentage for all in-process tasks. The dates arrived at within the Master Project Work Plan must be mutually agreed upon between the State and the Contractor within thirty (30) days of submission of the Master Project Work Plan, with the State having final authority for approval.
 - 3) Resource Loading. A description, by phase, of the number of Contractor personnel (including sub-contractor personnel, if applicable) to be based at the State furnished project site shall

be provided. The Contractor shall ensure that the schedules of the project consulting staff have been designed to guarantee timely completion of deliverables. The full-time equivalents (FTE's) for all State personnel involved in the project are identified in this Contract Section A.12.e. A summary of total Contractor and State hours by phase is required.

- 4) Critical Path. The Master Project Work Plan shall include a critical path with parallel and dependent project tasks.
- A.8. Assumptions and Constraints. The Contractor shall identify and document any assumptions or constraints that relate to the approved Master Project Work Plan and Implementation Schedule. The Assumptions and Constraints document shall be created during the General Design Phase and shall be updated throughout the project to reflect current information.
- A.9. Project Risks. The Contractor shall document potential project risks that could impact their ability to meet milestone dates in the Implementation Schedule and Master Project Work Plan. The Contractor shall also document procedures for handling of potential and actual problems; this shall also include general plans for dealing with the slippage of critical dates.

The Project Risks document shall be created during the General Design Phase and shall be updated throughout the project to reflect current information.
- A.10. Project Steering Committee (PSC) Oversight. The State's PSC provides executive-level guidance for the APS project. This committee is made up of the Project Sponsor and other senior business and technical executives. The PSC shall evaluate the project at critical review points as defined by the State. The evaluation shall consider information from project management and technical groups supporting the project, such as database administration, technical systems support, and computer operations. Quality Assurance assessments will be presented to the PSC for review. PSC approval is required for any changes to the project scope or implementation schedule.
 - A.10.a. Narrative Project Status Report for PSC. The narrative Project Status Report shall summarize the activities and progress of the project for the current month, identify upcoming key activities and issues needing PSC attention. The PSC may request unscheduled reports from the Contractor to address specific concerns relating to the project status.
 - A.10.b. Presentation for PSC. The Contractor shall provide a monthly presentation to the PSC. The presentation shall summarize the progress of the project, identify the project activities for the current month, identify upcoming key activities, and identify items, such as open issues, needing PSC attention. The Contractor shall document meeting notes, including action items identified at each meeting.
- A.11. Project Team and Organization Document. The Contractor's project team staff shall be on-site at the State's project site, as determined by the State, and dedicated full-time to the APS project. The Contractor shall provide a document identifying the Contractor and State project staff and their role assignments, as well as the organizational structure of the project team. The Project Team and Organization document shall be created during the General Design Phase and shall be updated throughout the project to reflect any changes in project staffing and team organization that occur.
- A.12. State Project Team. State project roles and full-time equivalents (FTE's) that have been allocated to the APS project for each role are described in the following sections. During the contract term, State staff will not report to Contractor staff, and Contractor staff will not assign tasks to State staff. State staff will not be responsible for the completion of contractor-assigned deliverables per this contract.

- A.12.a. State Project Manager. The State has assigned a Project Manager for the APS project. The State Project Manager shall be the Contractor's point of contact for the APS project.

The State Project Manager shall consult with the Project Sponsor and other PSC members continually through each phase of the project. This joint effort shall ensure that the APS project is: developed to support the State's requirements and properly documented. The State Project Manager shall provide expertise, assistance, and technical leadership in all State matters, including but not limited to, policy, staffing and organization, environment, data, information processing, current system, and acceptance testing. The State's Project Manager shall work closely with the Contractor's Project Manager in day-to-day project activities.

- A.12.b. Contract Manager. The Contract Manager shall be responsible for ensuring that the project is in compliance with the Contract and satisfies the State's requirements.

- A.12.c. Office for Information Resource (OIR) Database Administrator (DBA). The OIR DBA has primary responsibility for the review and approval of conceptual data models and physical data models. The State's conceptual data model is provided in Attachment D. Any changes to this conceptual data model shall require the approval of the OIR DBA. OIR DBA shall ensure that any updates to the conceptual data model include the identification and current description of entities, attributes, relationships and constraints.

OIR DBA provides database design consultation for development projects to fine tune designs. OIR DBA shall ensure that the physical data model includes: physical design address tables, access paths, foreign keys and referential integrity (RI), domain integrity, triggers, stored procedures, plans, security, and data placement. Standards maintained by OIR DBA, related to data modeling and physical database design, include data attribute naming, standard abbreviations, and object naming. OIR DBA shall ensure that the Contractor documents functions performed by triggers and stored procedures, since they may impact recovery procedures.

The State shall work with the Contractor Database Coordinator to evaluate each recommended change to the data model to determine if the change is warranted and meets the State's requirements. OIR DBA shall provide feedback after the review of each version of the data model. The final version of the conceptual and physical data models must be approved by the OIR DBA before generation of the physical database. This is to ensure that the data model is well-designed to support the State's requirements and enforces referential integrity; to ensure that State policies and standards are followed; and to ensure that the designs are sound and maintainable.

OIR DBA has primary responsibility for developing and executing production implementation procedures related to database objects and for implementing a standard database backup and recovery plan for the production database. This includes migration of database objects, including triggers, stored procedures, change management, and implementation of backup/recovery procedures, production utilities and monitoring tasks.

- A.12.d. Quality Assurance. The State shall evaluate Contractor work process performance periodically throughout the project and document recommended actions for PSC review. These assessments shall focus primarily on critical processes identified in the Quality Management Plan, but may address other aspects of the project if needed. The Contractor shall make project records and project staff available for interviews, as requested by the State. The Contractor shall obtain State approval for any deviation from State Policy and/or State Standard.

- A.12.e. Other State Project Staff Assignments. The State shall assign staff to key project roles, as described in the Role Tables below, to participate with the Contractor's staff in all Project Management Processes and Product Development Phases as outlined in the State's IT Methodology. At the State's discretion, State personnel may be substituted, added, or removed.

PROJECT ROLE	FTE ESTIMATE
DHS Program Staff	
APS Project Sponsor (1 @ 2%)	0.02
APS Executive Stakeholders (1 @ 2%; 2 @ 5%)	0.12
APS Subject Matter Experts (1 @ 30%; 1 @ 75%; 1 @ 55%; 6 @ 20%)	2.80
Total DHS Program Staff FTE's	2.94

DHS Program Unit Staff roles shall provide and validate requirements for the application, act as program/policy subject matter experts, participate in user acceptance testing, and provide and roll out end user training.

PROJECT ROLE	FTE ESTIMATE
DHS Information Systems (IS) Staff	
Information Systems Director (1 @ 10%)	0.10
Project Manager (1 @ 70%)	0.70
Business Analyst (1 @ 20%); (1 @ 80%)	1.00
Quality Assurance Consultant (1 @ 10%)	0.10
DHS Technical Staff (2 @ 100%)	2.00
TOTAL DHS IS FTE's	3.90

DHS IS Staff shall oversee and coordinate the delivery of the project. DHS developers shall be mentored to assume full maintenance responsibilities for the APS system at the end of the contract period.

OIR Infrastructure and Telecommunications staff shall manage the existing State infrastructure and shall participate with Contractor staff in engineering the infrastructure into which the application will be placed and shall manage the hardware and network layers of the overall system.

OIR Security staff will approve the Security Plan and participate with the Contractor in the implementation of application security into the State's environment. Security and audit requirements are documented in Contract Attachment K. Requirements for the Security and Audit Plan are documented in Contract Section A.21.

- A.13. Contractor's Project Team. The Contractor shall staff the project team appropriately to assure that it can meet the responsibilities defined in this Contract in an efficient, effective, and timely manner. This shall require project team staff with the necessary expertise and in adequate number to perform or administer the activities.
- A.13.a. Contractor Core Team. The Contractor shall have full responsibility for providing staff sufficient to complete the project in the required time frame. The initial Core Team and any subsequent substitution of Core Team members shall be documented in the Project Team and Organization Document and shall require State approval. Failure of the Contractor to provide a replacement for a core team member with equal or greater qualifications may result in Contract termination.

At a minimum, the State requires the Contractor to supply the following Core Team personnel. The Contractor may utilize one person to perform one or more roles, as approved by the State.

1) One (1) Project Manager

The project manager must have a minimum of five (5) years experience within the last seven (7) years in this job class. The Contractor Project Manager shall have the primary responsibility for coordinating the overall project tasks, including project planning, scheduling and staffing. The Contractor's Project Manager shall have daily interaction with the State Project Manager and shall also attend formal meetings with other State groups, as determined necessary by the State Project Manager during the course of the project.

2) One (1) Lead Business Analyst

The business analyst must have a minimum of five (5) years experience within the last seven (7) years in this job class. The Business Analysts shall be responsible for facilitating sessions with the State to validate functional requirements, business rules, the business process model, and the conceptual data model. The business analyst shall also assist with testing and quality assurance activities.

3) One (1) Database Coordinator (DBC)

The DBC shall have a minimum of five (5) years experience within the last seven (7) years in this job class. Responsibilities shall include: relational data modeling and table normalization; database administration; software performance analysis and tuning; application architecture development; and application development DBA support.

The Contractor DBC shall interface with the OIR DBA for technical support and advice regarding design changes, tuning options, technical issues and standards. Apart from this role, the Contractor DBC may also develop and test the project's stored procedures.

4) Two (2) Programmer/Analysts

The programmer/analysts must have a minimum of two (2) years experience within the last three (3) years in this job class.

5) One (1) Test Manager

The Test Manager must have a minimum of two (2) years of current experience within the last three (3) years in this job class.

The Test Manager shall be responsible for leading comprehensive software testing and quality assurance associated with a systems development initiative until the Contract end date. This manager will manage Contractor staff in the development of test scripts, test plans, expected results tables, and system problem documentation and resolution for unit, system, and integration testing of the APS system.

Responsibilities shall include coordinating with line staff and management representatives from a number of technical and non-technical areas in establishing development and testing priorities and strategies, verifying the correct functions of new and revised batch and on-line system components, monitoring the progress of testing efforts, developing corrective action strategies in response to documented problems, and scheduling and authorizing the implementation of new and revised programs.

A.13.b. Staff Management and Administrative Support. The Contractor shall provide day-to-day management of its staff. The Contractor shall provide administrative support for its staff and activities. The Contractor shall replace any Contractor Core Team member if that team member's performance is not acceptable as determined by the State.

A.13.c. Contractor Work Space, Connectivity, Supplies, and Equipment. The Contractor shall provide supplies and equipment for Contractor staff that meets minimum State platform requirements for work stations. The Contractor shall ensure workstation and laptop devices connected to the State's network are current with OS patches and Antivirus software. The Contractor shall provide office automation software for Contractor staff that is in compliance with minimum State platform requirements.

The State shall provide work space and connectivity for the Contractor staff. Also, the State shall provide all proposed State-approved State-Standard Specialized Development/Operational Software, Add-ons, Plug-Ins, and Components to Plug-Ins. However, if the State standard software is not included in the Contractor's proposal submitted in response to the APS RFP, but is later determined to be necessary to complete the terms of the Contract, the Contractor shall be responsible for payment of this State standard software that was not included in the Contractor's proposal, including the initial costs of licenses and on-going license maintenance fees and costs of upgrades for the term of the contract.

A.14. Quality Management Plan. The Contractor shall create a Quality Management Plan during the General Design Phase. The Quality Management Plan's defined activities shall be identified, and time and resources shall be allocated to them. The Contractor shall update this plan in subsequent phases, as more information is available.

The Quality Management Plan shall cover the following topics:

A.14.a. Purpose and Scope of the Plan. The Contractor shall define the purpose and scope of the plan, including the identification of related project management documents.

A.14.b. Project Quality Objectives and Metrics. The Contractor shall describe the project quality objectives and metrics needed to assess progress toward those objectives. The Contractor shall perform quality control on its work. It shall inspect or test all deliverables, both documents and software, before submitting them for State review. Quality assurance shall assure that documents are free from cosmetic errors (spelling, grammar, syntax, etc.), complete, accurate, detailed sufficiently for their intended use, and conform to applicable State standards. The Contractor shall ensure that all components of the APS system function in accordance with the design specifications. Software source code shall be validated by visual inspection. Software executable code shall be tested dynamically to assure that it functions according to its business and technical specifications. Testing shall be performed on each developed or modified software component and on the assembled system. In addition, stress testing shall be performed on the APS system to test capacity and performance.

A.15. State Quality Review. The State and the Contractor shall acknowledge completion of all project deliverables for each Product Development Phase. The Contractor shall submit all deliverables to the State for review and approval. For State reviews, the Contractor shall allow a minimum of fifteen (15) business days, following the date the Contractor submits the deliverable to the State for review of each deliverable that the Contractor has developed. The State shall review all deliverables to determine their fitness for use. If the State finds deficiencies in deliverables, it shall formally communicate them in writing to the Contractor. The Contractor shall correct all such deficiencies and resubmit corrected deliverables for review (which begins a new review cycle).

All deliverables shall be approved in writing by the State to be considered final. Payment for a phase is contingent upon the State's approval of all deliverables in a phase. The State understands that Contractor will continue work on future deliverables, where appropriate, prior to approval by the State on any deliverable submitted for review by Contractor. Both parties recognize that a change in a deliverable under review by the State that impacts the work done by Contractor on future deliverables will be the responsibility of the Contractor.

- A.16. Weekly Status Reports for State Project Team. The Contractor shall prepare weekly Status Reports that reflect the major activities for the reporting period, upcoming activities, and open issues. The Project Managers and Team Leaders shall use the Status Report as a mechanism to monitor project activity and to detect potential problems or delays. Reports should be primarily in list form and shall serve as agendas for meetings. Topics to be covered include:
- a. a GANTT chart generated from Microsoft Project comparing status with the baseline;
 - b. a listing of significant departures from the Master Project Work Plan with explanations of causes and strategies to achieve realignment;
 - c. a listing of tasks that were completed since the last report;
 - d. tasks that were delayed and reasons for delay;
 - e. tasks in progress;
 - f. planned activities for the next scheduled period;
 - g. staffing concerns or issues encountered, proposed resolutions and actual resolutions;
 - h. an updated report on project risks with recommendations for elimination or mitigation; and
 - i. a listing of any other topics that require attention from the State's Project Manager or the PSC.
- A.17. Weekly Status Meetings with State Project Team. The Contractor shall conduct weekly status meetings with the State Project Team and shall review the content of the Weekly Status Report. The Contractor shall document meeting notes, including action items for each weekly status meeting.
- A.18. Configuration Management Plan. The Contractor shall create a Configuration Management Plan during General Design Phase to outline procedures for: version control for all deliverables, including system source code, database, and all project documentation; change management control to manage changes to scope, requirements, and other approved deliverables; tracking problems and issues, including the current status in an electronic problem repository; the establishment of a repository to track action items; the establishment of a repository to track issues; and the establishment of a project documentation repository. The Contractor shall use an automated configuration management tool that is in compliance with State standards. The Contractor shall update this plan in subsequent phases, as more information is available.
- A.18.a. The Configuration Management Plan shall define the Contractor's approach for version control for releases of all Contract deliverables. The configuration management process shall assure that the status of all existing deliverables is known, that only approved versions of the database, program code, triggers, and stored procedures are released for production use, that prior released versions of all deliverables can be recreated, and that changes are made to released deliverables only when authorized. The final release of each deliverable shall reside in a library under State control. The Contractor shall meet the minimum configuration management requirements of the State, as documented in the Tennessee Information Resources Architecture in Contract Attachment I.
- A.18.b. The Configuration Management Plan shall define the Contractor's approach for change management to control changes to scope, requirements, software, and other approved deliverables, ensuring that changes are systematically documented in an electronic repository, assessed for need, impact, and appropriateness, and presented to the State for review and approval. The Contractor shall track the status of in-progress change requests and report to the State upon request. Requirements Change Requests shall be administered using a two-step assessment and approval process. The first step is to determine the effort required to assess the request. Then, if approved to continue, the second step determines the effort required to implement the request. The PSC shall approve both steps before a change request is accepted.

Written Change Orders. A Change Order is defined as modifications specifically required by new or amended Federal or State laws, regulations, and other required business changes.

- 1) The State's Contract Manager may, at any time during the contract period and with written notice to the Contractor, request changes to work products, proprietary products, or any other deliverables, products or other items within the general scope of the Contract. Requested changes may include modifications specifically required by new or amended Federal or State laws, regulations, and other required business changes. However, any corrections of system deficiencies relating to requirements outlined in the contract and any investigations necessary to determine the source of the problem will not be considered Change Orders and are the Contractor's responsibility to make without charge to the State. See Warranty Period, Section A.85.b.
- 2) The written Change Order issued by the State shall specify whether the change is to be made on a certain date or placed into effect only after approval of the Contractor costs statement as described in the following paragraph.
- 3) As soon as possible after receipt of a written Change Order, but in no event more than fifteen (15) calendar days thereafter, the Contractor shall provide the State with a written statement that the change has no price impact on the Project, or that there is a price impact, in which case the statement shall include a description of the price increase or decrease involved in implementing the change. The cost or credit to the State resulting in a change in the work shall specify the total cost based on the number of staff-hours required to complete the change, times the corresponding hourly rate as defined in Section C.3. Payment Methodology.
- 4) Invoices for Change Orders may be submitted upon the State's signed acceptance of the change. Such invoices shall, at a minimum, include documentation of the State's approval for the Change Order work to be undertaken, the name of the individual(s) that worked on the Change Order, the individuals' job title, the number of hours required to complete the Change Order work, the Change Order Hourly Rate, and the total compensation due the Contractor for the Change Order in question. Payments for approved Change Orders may not exceed 10% of the maximum liability identified in the original base contract without amendments.
- 5) The State will compensate the Contractor for Change Order work based on the State-approved Hourly Rate schedule, in a total amount for each change request not to exceed the written estimate agreed upon by the parties.
- 6) The Master Project Work Plan shall incorporate the defined activities for processing the Change Orders and shall allocate time and resources to them.

A.18.c. The Configuration Management Plan shall define the Contractor's approach for the documentation, resolution, management, and electronic storage of reported problems. The Contractor shall provide repositories for the tracking of software defects and other open project issues that are not classified as software defects. The Contractor shall provide a defect tracking system. The Contractor shall track problems to closure, grant the State access to these repositories to view information as needed, and report the status of problems to the State upon request.

The Contractor shall evaluate each reported problem, estimate the time needed to resolve the problem, identify potential impacts on the system and the project, and report to the State. If the State decides to proceed with the resolution, it shall assign a relative priority to the problem. The Contractor shall then resolve the problem according to its assigned priority. Resolutions shall be verified and approved in writing by the State to be considered closed. In the event of a dispute regarding the classification of a problem as critical, non-critical, or non-functional, the State will serve as arbitrator.

- 1) Critical Problems. The Contractor shall classify certain problems as "critical." The Contractor shall act to resolve critical problems as defined in the Problem Resolution Section of the Configuration Management Plan, bringing to bear all necessary resources.
- 2) Non-Critical Problems. The Contractor shall classify certain problems as "non-critical." The Contractor shall resolve a non-critical problem typically within twenty-one (21) calendar days following the date the State notifies the Contractor to proceed with a

proposed resolution. If the Contractor finds it cannot resolve a specific problem within this time frame, it shall provide justification for the delay and propose a new resolution date prior to the end of the twenty-one (21) days.

3) Non-Functional Problems. The Contractor shall classify certain problems as "non-functional." A non-functional problem is a problem that requires only modifications to the physical appearance of the application or screens that is inconsistent with the design specifications developed by the Contractor and approved by the State during the Detailed Design Phase and that, as determined by the State, in no way impairs or negatively impacts the functionality of the system by APS staff. The Contractor shall resolve these problems in future builds or versions of the software.

A.19. Communication Plan. The State realizes the criticality of effective project communication to provide the links for people, information, and ideas that are essential for project success. In order to ensure that everyone is prepared to send and receive communication in the most effective manner, a plan for managing project communication is required. The Contractor shall create a Communication Plan during the General Design Phase. The Communication Plan shall define the information and communication needs of the stakeholders, including who needs access to project information, what information is needed, when it will be needed, and how the information will be provided to them. The Communication Plan shall be updated throughout the project to reflect current information.

A.20. Capacity Analysis and Evaluation Plan. The Contractor shall create a Capacity Analysis and Evaluation Plan during the General Design Phase. The Master Project Work Plan shall incorporate the defined activities for the Capacity Analysis and Evaluation Plan and allocate time and resources to them. The Contractor shall update this plan in subsequent phases, as more information is available.

A.20.a. Planning. The purpose of the Capacity Analysis and Evaluation Plan is to identify users of the system and to assist State technical, operations, and telecommunications personnel in projecting the capacity and communication requirements (bandwidth, lines, etc.) to support the system. The Contractor shall document the approach for the selection and utilization of servers (application, communications, database, gateways, etc.) that provide a modular, scalable solution that meets the State's minimum performance objectives. The Contractor is not required to provide communications hardware and software for the system. However, the Contractor shall provide the planning coordination for the network to achieve the minimum performance standards indicated below and shall perform all application system modifications required to ensure system performance meets the required performance standards.

- 1) The APS system shall be available and fully functional 99.0% of the time during core business hours and 30% of the time during non-core business hours, with scheduled downtime taking place during non-core business hours. 99.0% uptime for the defined daily core hours translates to 7.2 minutes of downtime per Core-Time-Day (720 total minutes).

Core business hours are defined by the State as 6:00 a.m. – 6:00 p.m. (CST), Monday through Friday. Non-core business hours are defined by the State as 6:01 p.m. – 5:59 a.m. (CST) Monday through Friday, all day on Saturday and Sunday, and on all State holidays as approved.

System response times will be calculated based on the average response time for several key transactions. System availability will be tracked throughout the day and averaged for core and non-core daily periods, with additional weekly and monthly averages.

- 2) The application response time shall be three (3) seconds or less 95% of the time during core and non-core business hours. The response time measurement will be the amount of time from the application receiving a request until the application sends the result, i.e., internal

application response time between receipt and response to a user request. The response time measurement shall not include the time required to transmit the user's request or the request results over the user's network connection.

Programming techniques shall be employed to minimize CPU consumption and utilize efficiencies in database I/O and system memory. Database coding techniques shall utilize static SQL, where possible, and utilize efficient coding of stored procedures. Additionally, the page size transmitted between the application server and the user workstation / browser shall not exceed 50KBytes.

- A.20.b. Evaluation. The Contractor shall be responsible for evaluating system performance. The State requires the Contractor to plan a strategy with review points for capacity evaluation. The initial plan and evaluation criteria should be based on preliminary estimates from data provided by the State, taking into account compatibility with the Tennessee environment; subsequent evaluations and modifications to the strategy shall be made as the project progresses and more detailed data estimates become available.
- A.20.c. Capacity Evaluation Reporting. The Contractor shall prepare interim and final Capacity Evaluation Reports which documents, in detail, the results of the tests and recommendations for resolving any problems, as outlined in the Capacity Analysis and Evaluation Plan. The Contractor shall provide detailed documentation demonstrating how the required response time shall be achieved by the application. All calculations and assumptions are to be shown. At a minimum, the documentation shall show line speeds, devices supported per circuit and per location, routing, average and peak traffic load and average and worst case response times. The Contractor shall provide to the State all information about the impact of application solutions, including but not limited to additional memory.
- A.21. Security and Audit Plan. The Contractor shall create a detailed Security and Audit Plan describing security features and audit trails for the APS application. Recommended levels of security, limitations of capabilities, and required rules shall be provided. The format and content of security tables shall be included, as well as the recommended starting phase for establishing security profiles. Security and audit requirements are documented in Contract Attachment K.
- A.22. Test Management Plan. The Contractor shall develop a Test Management Plan that addresses all testing efforts for the entire project, during the General Design phase, which is input to the development of test plans for the testing levels; unit, system, integration and user acceptance. The Test Management Plan shall be updated throughout the project. The plan shall address things such as: objectives and approach; resources (personnel, hardware, testing tools); infrastructure safeguards; test level; source and management of test data; test validation procedures; and interface testing. Tests shall execute successfully at one level before proceeding to the next level. For each test level, the test plan, test cases, use case scenarios, test scripts, and test results shall be stored in a single repository. The Contractor shall provide test data.
- A.22.a. Unit Test Plan Approach. The Contractor shall address the Unit Test Plan Approach in the Test Management Plan which addresses the unit test requirements found in the State approved software development standards. Actual unit test plans will be created in subsequent phases of the project. The unit test plans shall reflect both positive and negative aspects of each option or condition within the module code.

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

- A.22.b. System and Integration Test Plan Approach. The Contractor shall address the System and Integration Test Plan Approach in the Test Management Plan which addresses the system and integration test requirements found in the State approved software development standards. Actual system and integration test plans will be developed in subsequent phases of the project.

The system and integration test plans shall clearly set forth how the system test is designed to fully test system functions and features. The plans shall identify the inputs to the test, the steps in the testing process and the expected results. The plan shall provide detailed descriptions of the test environment, regression testing and other test methods, workflow, and training required. The Contractor shall perform load and stress testing. The Contractor shall perform regression testing on each build.

The Contractor shall perform System and Integration Testing. At the State's request, the Contractor must be prepared to replicate any or all Integration and System tests on-site using the State's testing environment, including the State's Wide Area Network. The Contractor must be prepared to provide the State with the test scenarios and data the Contractor used during its own Integration and Systems Tests.

- A.22.c. User Acceptance Test Plan Approach. The Contractor shall address the User Acceptance Test Plan Approach in the Test Management Plan. The User Acceptance Test Plan Approach shall be a description of the Contractor's role in leading and supporting the State in User Acceptance Testing. The State shall develop Use Case Scenarios for User Acceptance Testing. The Contractor shall assist the State in the development of those Use Case Scenarios, as needed. Use cases shall be prioritized according to criticality and the most critical tests shall be tested first. The State shall actually perform the User Acceptance Test.

User Acceptance Test Plans shall be developed in subsequent phases of the project to provide State testers with clear, user-friendly instructions and expected test results. User Acceptance Test Plans shall include the specific objectives to be accomplished, the conditions that shall be met to prove that the objectives are accomplished, the data that shall be used in testing those conditions and the expected results. All test cases shall be traced to specific requirements and specifications, and specific requirements and specifications shall be mapped to one or more identified test cases.

The User Acceptance Test Plan shall include realistic time frames for completion of the testing by State staff. The Contractor shall update this plan in subsequent phases, as more information is available. This deliverable shall be reviewed with the State; State approval is required before training classes for user acceptance testers are scheduled.

- A.23. Backup and Recovery Plan. The Contractor shall create a Backup and Recovery Plan during the Detailed Design Phase. In order to prevent loss of data, the Contractor shall develop and implement backup and recovery procedures. This plan shall include procedures for the periodic copying of data to other media and the process for restoring data to its original or prior form. Tests shall be performed to validate the backup and recovery procedures. Within the Backup and Recovery Plan, the Contractor shall develop a Contingency Approach that is maintained for emergency response, operation backup and post-disaster recovery for the APS system to facilitate the continuity of operations in an emergency situation and to ensure the availability of critical resources. The Contractor shall include provision for off-site storage of the APS application and data. The Contractor shall update this plan in subsequent phases, as more information is available.

- A.24. Training Plan. The Contractor shall create a comprehensive Training Plan during the Detailed Design Phase. The Contractor shall update this plan in subsequent phases, as more information is available in order to continuously improve the training process. The Contractor will conduct train-the-trainer training, while the State will be responsible for training remaining State staff.

A.24.a. Overall State Training

- 1) All training shall be role-based. The Contractor shall create role-based training curricula that are customized for each unique training class. The Contractor is responsible for developing all training materials and curricula in Microsoft Word; these training documents shall be converted to PDF format for electronic presentation to training participants. All training materials and curricula shall be owned by the State. The Contractor is not responsible for making copies of training curricula; this task shall be performed by the State. However, the Contractor shall ensure that all training curricula, plans, and other training materials are current prior to training.
- 2) Training Schedule. In the Training Plan, the Contractor shall schedule training sessions in accordance with the system implementation schedule and the Master Project Work Plan. The Contractor shall prepare a "just-in-time" training schedule for all training classes. The State is responsible for identifying training locations and providing training facilities for training conducted by the Contractor for State business users.
- 3) Training Preparation. The Contractor shall ensure that all procedures, training environment hardware and software configurations, classroom setup requirements, etc. reflect the most current information for State training.
- 4) Training Assessment. The Contractor shall implement methods to continuously assess and evaluate the training process and to make adjustments, as necessary. Training approach, curricula, methods, procedures, and materials should be changed as necessary to ensure that State participants are receiving the most effective training for the APS system. The Contractor shall implement methods for assessing the results of training by class participants and by State Office management, who shall observe and evaluate the training process.
- 5) Training Methods. In the Training Plan, the Contractor shall utilize multiple methods of training, including, but not limited to, web training, classroom training, computer-based training (CBT), and video training.

A.24.b. Business User Training. The Contractor shall provide train-the-trainer training to prepare State trainers to perform training for business users who shall use the APS system to perform daily job functions. State trainers shall train all other DHS business users. Training shall be structured around the new business user roles that are defined during the Detailed Design Phase. A business user is defined as a State employee hired by the State to perform business functions.

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

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

A.24.c. Technical Staff Training. The Contractor shall train the State's technical team that will perform maintenance and support activities after the Contract end date.

- 1) Training Assessment by Technical User Role. The Contractor shall identify technical staff that the Contractor is responsible for training. The Contractor shall assess the training needs of the State's business analysts, systems analysts, DBA's, developers, and operations specialists.

- 2) Technical Training Content. The Contractor shall train the State's technical staff to support the new APS system. The Contractor shall mentor State technical staff by allowing members of the State technical staff to work in conjunction with Contractor staff to transfer knowledge and build skills that are necessary to promote a successful turnover of future maintenance and support to State technical staff during the contract period.
- 3) Technical Training Curricula and Materials. The Technical Staff training curricula and materials shall cover all aspects of system design, operation, and maintenance, including, at a minimum, the contents and usage of the Operations Manual.

A.25. Implementation Plan. The Contractor shall create an Implementation Plan during the General Design Phase. The new APS web application will be utilized by APS staff in the 95 county offices, six (6) district offices, and in the State office in Nashville. The Implementation Plan shall describe the strategy for installing the system by defining the processes, schedules, hardware installation, software installation, and site preparation. The Contractor shall update this plan in subsequent phases, as more information is available.

A.25.a. Approach to Implementation. The Contractor shall describe its overall approach to implementation during the General Design Phase. This approach shall be updated throughout the project as additional information is known. The Contractor shall develop a strategy for providing the necessary staff to ensure that the required level of implementation support is available.

A.25.b. Required Content of Implementation Plan. The Implementation Plan should describe, at a minimum, the following:

- 1) recommendations concerning third-party software needs and timing of purchase (if applicable);
- 2) the objectives and approach for components requiring installation with particular emphasis on utilization of the WAN, Intranet, Extranet and Internet;
- 3) the schedule of installation activities, relating to system issues, training, and testing of third party software (if applicable);
- 4) implementation preparation tasks in detail, security preparation, staff training, personnel assignments, and level of resources required for each area;
- 5) site preparation, addressing site-specific requirements and plans;
- 6) confirmation of the training schedule;
- 7) confirmation of the systems test objectives and schedule;
- 8) confirmation of the software completion schedule;
- 9) identification of production locations (not to exclude non-traditional DHS location);
- 10) manual support procedures; and
- 11) updated documentation.

A.26. Turnover Plan. The Contractor shall create a Turnover Plan during the Construction Phase. The Contractor shall update this plan in subsequent phases, as more information is available.

A.26.a. Content of Turnover Plan. The Contractor shall outline its plan for turnover from Contractor support to State support. The Turnover Plan shall include the state of readiness required for system turnover. This plan shall outline the conditional criteria required to turn over responsibilities for the operation and support of the APS system from the Contractor staff to State staff. The Contractor shall develop high-level specifications for decreasing Contractor staff responsibilities and increasing State staff responsibilities for system operations, support, and maintenance. The Turnover Plan shall describe all tasks to be performed by the State and the Contractor to ensure a smooth transfer of services to the State. Under the direct supervision of the Contractor and without limiting or revoking the Contractor's warranty, the State technical staff shall assist the Contractor with some of the daily maintenance and support activities during the contract period. This activity shall serve as a method of teaching the State's technical staff to

perform the necessary job functions to allow the State to assume full responsibility for the maintenance and support of the system at the end of the Post-Implementation Support Phase.

A.26.b. Measurements for Successful System Turnover. At a minimum, the Contractor's success with system turnover shall be measured by the State's ability to:

- 1) Demonstrate an understanding of the APS system business processes and rules with the ability to explain concepts to others.
- 2) Support the on-line environment by resolving any interruptions in a timely manner.
- 3) Successfully schedule, execute and support the batch cycles (daily, weekly, month end and reporting) and understand the business implications of batch jobs, production issues, etc.
- 4) Respond to all production issues in a timely manner, providing accurate and meaningful responses and workarounds.
- 5) Respond to all case inquiries and/or central office staff requests in a timely manner, providing accurate and meaningful responses and workarounds.
- 6) Demonstrate an understanding of the APS system technical architecture and capability to resolve.
- 7) Apply data model changes, upgrading as needed.
- 8) Quickly assess the impact future changes would have on the system by: performing thorough analysis, consulting with stakeholders and end users, and communicating impact of proposed changes; estimating effort required to design, develop, test, document, implement and support requested changes; developing detailed designs and conducting peer reviews, assessing program logic and performance; developing and modifying program logic that meets business requirements and adheres to development standards; developing comprehensive test plans; conducting comprehensive string, systems and user acceptance tests to confirm business requirements and successfully planning, implementing and verifying all system changes.
- 9) Assess the performance of the APS system application and the impact of future modifications and recommend and implement changes to correct performance issues.

General Design Phase

A.27. Contractor's Project Team. In accordance with the Contractor's proposal, the Contractor shall submit a finalized listing of the individuals on the core project team documenting their corresponding role(s) and an organizational structure diagram of the project team.

The Contractor shall have staff on-site at the State project site within seven (7) days of the Contract start date. Contractor responsibilities shall be performed on-site by Contractor staff.

A.28. Perform Quality Assurance Activities. The Contractor shall provide documentation to the State as requested for the State's quality assurance reviews.

A.29. Conduct Project Kick-off Meeting. The Contractor shall conduct a Project Kick-Off Meeting with the State to formally announce the initiation of the project. This meeting shall focus specifically on the responsibilities of the Contractor and working relationships and interactions among the Contractor and State staff, which have been defined and approved by the State. In addition, the Master Project Work Plan shall be reviewed with the group. Presentation materials and handouts shall be developed by the Contractor and presented to the State for review and approval, prior to the Project Kick-off Meeting. The Contractor shall document the results of the meeting as notes and action items.

A.30. Validate Requirements, Business Rules, and Models for the APS System. During the General Design Phase, the Contractor shall facilitate review sessions with the State project team to validate the General System design of the APS system as documented in Contract Attachments A, B, C, D, E, F, G, and K. Any changes to the content of these documents shall require State

approval. The Contractor shall develop the APS system in accordance with State-approved requirements, business rules, and models. The Contractor shall summarize the results of this General System Design documentation review and validation session in narrative format. Also, the Contractor shall document action items that result from this review session.

- A.31. Conduct Final Quality Review of Requirements, Business Rules, and Models. The Contractor shall conduct a final quality review of the updated requirements, business rules, and models with the State. The Contractor shall document the meeting results and action items from that meeting. The Contractor shall utilize the validation sessions in Section A.30 to generate the final General System Design document.
- A.32. Final General System Design Documentation for the APS System. State approval of the final General System Design document is required before proceeding with the detailed design specifications. Exceptions shall be approved by the State.
- A.33. Other Contractor Tasks and Deliverables. In addition to the minimum project tasks and deliverables defined for the Contractor by the State, the Contractor shall be responsible for performing project tasks and completing additional project deliverables for the General Design Phase, as defined by the Contractor in the Contractor's Master Project Work Plan.
- A.34. Contractor's Responsibility for General Design Phase Deliverables. The Contractor shall submit the deliverables required for the General Design Phase, as defined in this Contract and summarized in Attachment H, to the State for review and approval decision at the end of this phase. The State understands that Contractor will continue work on future deliverables, where appropriate, prior to approval by the State on any deliverable submitted for review by Contractor. Both parties recognize that a change in a deliverable under review by the State that impacts the work done by Contractor on future deliverables will be the responsibility of the Contractor. The State and Contractor shall acknowledge completion of all General Design Deliverables.

Detailed Design Phase

- A.35. Provide Infrastructure Specifications. The Contractor shall provide specifications to the State for configuration and installation of servers, tablets, workstations and any associated hardware, software and telecommunications equipment making up the State's platform environment.
- A.36. Conduct Technical Review of Infrastructure Specifications. The Contractor shall conduct a technical review of the Infrastructure Specifications with the State, including participants from DHS and F&A OIR. The Contractor shall document the results of this technical review as meeting notes, including action items.
- A.37. Provide Guidance in the Installation of Software. As requested by the State, the Contractor shall provide guidance to the State in installing any required software to meet requirements for the APS system on the hardware specified at the State. Installation is anticipated to be on equipment identified as being part of the State platform environment. For Contractor-Owned and Third Party Proprietary Core Application Software and Non-State Standard Specialized Development/Operational Software, Add-Ons, Plug-Ins, and Components to Plug-ins, the vendor shall ensure that the State is fully informed about licensing requirements for selected proprietary software before requesting State approval.
- A.38. Define Detailed Requirements and Business Rules. The Contractor shall conduct sessions with the State to identify and further document the detailed requirements and business rules for all system functionality, the interface with the DHS enterprise document management system, reports, ad-hoc queries, correspondence documents, messages, notification documents, and forms.

A.39. Develop Detailed Design Specifications. The Contractor shall develop detailed design specifications. These design specifications shall address database design, including traceability to all requirements, object models, data models, data dictionaries, navigation techniques, screen layouts, interface with the DHS enterprise document management system, standard report layouts, ad-hoc query screen layouts, correspondence document layouts, notification document layouts, and form layouts. In developing screen, report, correspondence documents, notification documents, forms or other layouts, the Contractor shall perform prototyping or demonstrate selected functionality to enable State staff to more effectively review, validate and approve designs throughout the design process. Details of inputs, outputs, edits, descriptions of functions and processes, help screens, interfaces and appropriate diagrams of application software design shall be provided.

A.39.a. Business Process Model. The Contractor shall utilize the business process model in the final General System Design document, as defined in Section A.32, and shall document a Detailed Design document which includes the definition of each business process at the elementary process level. A final review of the Detailed Design document, including the business process model at the elementary process level, shall be conducted with the State. State approval of this document is required.

A.39.b. Design Physical Database Model. The Department of Finance and Administration (F & A), Office for Information Resource (OIR) must review and approve the final version of the conceptual data model before the physical data model is created. The Contractor shall generate a relational physical database model from the State-approved conceptual database model. The physical database model shall be updated to reflect changes needed to enhance system performance and to promote scalability, modularity, and flexibility. The Contractor shall ensure that data integrity is enforced through table relationships that accurately model the requirements of the State. F & A OIR must review and approve the final version of the physical data model before a database is generated. The Contractor shall provide, at a minimum, the following documentation for this physical data model: definitions of each data requirement; file structures, organization, access, and processing limitations; standard patterns for report formats and screen displays, including screen paths; logical entity relationship diagram (logical data model) and physical database diagram (physical data model) and trigger and stored procedure usage documentation. The Contractor shall determine production space requirements for the APS database.

A.39.c. Design Interface. The APS system shall integrate seamlessly with the DHS Enterprise Document Management System, making the workflow very intuitive and user-friendly. The component of the DHS enterprise document management system that will be utilized by APS staff shall be designed by the Contractor.

The Contractor shall define detailed requirements and design specification for this interface. The Contractor shall work with F & A, OIR, Special Services Division and FileNet to ensure that this interface adheres to State standards.

State approval of the interface design specification shall be required.

A.39.d. Develop Detailed Design Specifications and Layouts for Reports, Correspondence Messages, Notification Documents and Forms. The Contractor shall perform a detailed analysis of the State's report, ad-hoc query, correspondence, message, notification, and form requirements, as identified in Contract Attachment G. The data model shall contain all data elements and be modeled to support these requirements. The Contractor shall develop Detailed Design Specifications and layouts for reports, ad-hoc queries, correspondence documents, messages, notification documents, and forms.

A.39.e. Define Security Requirements and Security Design Specifications. The Contractor shall document system security and access constraints, requirements and procedures, as defined in the Security Plan. The Contractor shall develop security design specifications and shall detail

how role-based security features shall be implemented in the APS system. Proposed levels of security, limitations of capabilities, and required protocols shall be provided. The format and content of role-based security tables shall be included, as well as the recommended starting point for establishing security profiles.

- A.40. Detailed System Design Documentation Walk-through Session. The Contractor shall conduct a Detailed System Design Walk-through and a detailed system overview for users at various levels and locations across the State. The Contractor shall prepare presentation materials and handouts for this walk-through session. After these reviews are completed, the requirements and the supporting design documents shall be updated to reflect feedback received. The Contractor shall document the results of this walk-through session as meeting notes, including action items.

The Contractor shall illustrate design flexibility, scalability, and modularity and the utilization of common and reusable components. The Contractor shall also demonstrate how the design facilitates the automation and ease of maintenance.

- A.41. Develop Plans. The Contractor shall develop the Backup and Recovery Plan as defined in Contract Section A.23 and the Training Plan as defined in Contract Section A.24.
- A.42. Contractor's Responsibility for Detailed Design Phase Deliverables. The Contractor shall submit the deliverables required for the Detailed Design Phase, as defined in this Contract and summarized in Attachment H, to the State for review and approval decision at the end of this phase. In addition to the minimum project tasks and deliverables defined for the Contractor by the State, the Contractor shall be responsible for performing project tasks and completing additional project deliverables for the Detailed Design Phase, as defined by the Contractor in the Contractor's Master Project Work Plan. The State understands that Contractor will continue work on future deliverables, where appropriate, prior to approval by the State on any deliverable submitted for review by Contractor. Both parties recognize that a change in a deliverable under review by the State that impacts the work done by Contractor on future deliverables will be the responsibility of the Contractor. The State and Contractor shall acknowledge completion of all Detailed Design Phase Deliverables.

Construction Phase

- A.43. Generate Database. The Contractor shall generate the APS database, according to the specifications defined in the physical data model. The Contractor shall ensure that data integrity is enforced through table relationships and not through program code, unless approved by the State.
- A.44. Construct Software. The Contractor shall develop the APS system in accordance with specifications defined in the Detailed Design Specifications. The Contractor shall comply with the approved Development Standards. The Contractor may use triggers and stored procedures in the construction of APS software.

Each program shall be thoroughly documented, to ensure traceability, by mapping the requirements to the design, the design to the code, and the requirements to the test cases for unit, system and integration testing. The Contractor shall establish configuration management and tracking, in compliance with State-approved standards, and shall rectify software defects prior to submission to the State as a completed product.

- A.45. Initiate Security Plan. The Contractor shall construct the Security component of the APS system. The Contractor shall work closely with the State to define user roles. These users shall be assigned access to the system based on need and job role.

- A.46. Perform Unit, System and Integration Testing of Software. The Contractor shall perform all unit, system, and integration testing of the APS system, in accordance with the Test Management Plan. The Contractor shall test all functionality, reports, correspondence documents, and notification documents.

During and subsequent to programming, the Contractor shall conduct a thorough test of all program subsystems. This shall ensure that when the system is available for User Acceptance Testing, the Contractor is confident that the system is fully functional and operational. At a minimum, the Contractor shall perform:

- A.46.a. Unit Testing. The Contractor shall unit test all software developed or provided for use as part of the APS system. Documentation of the inputs, outputs, problems identified, and corrections made shall be required, in the form of a unit test results document and in accordance with the State's methodology for unit testing. Unit testing shall be performed by the Contractor on each module/program of the APS system. Individual sets of test data and test plans shall be created by the Contractor to completely test internal conditions of the module/program. Successful unit testing occurs when the module's test plan is completed without failure.
- A.46.b. System and Integration Testing. The Contractor shall test all software that is proposed to meet the APS requirements to demonstrate the functionality and performance characteristics before the start of User Acceptance Testing. The system tests shall actively use all of the functions, test all interfaces, process all types of input, and produce all reports, correspondence, notification documents and forms. The Contractor shall include certain types of cases and transactions in the test, as specified by the State.

In preparation for system testing, at a minimum, the Contractor shall:

- 1) Install the system in the test environment;
- 2) Install and configure any automated testing tools/packages;
- 3) Create the appropriate test environments; and
- 4) Ensure that sufficient test data is located in the test environment.

Integration testing shall be performed by the Contractor on each sequence of related or dependent modules during the Construction Phase of the APS project. Any sequence of modules which will be run concurrently or consecutively (module called subroutines or additional modules) to produce an output or a result will require integration testing. Full sets of test data and test plans will be produced by the Contractor which will completely test any conditions within the sequence.

The Contractor shall be responsible for all aspects of the system and integration testing. State staff shall actively provide input and feedback during the plan's development.

- A.46.c. Walk-through and State Review/Approval of Testing Process. The Contractor shall prepare a software test results document. The software test results document shall include all information necessary for the State to validate that the test has been successfully executed in accordance with the approved Test Management Plan. The State shall conduct a review of the test results. State approval of the testing process is required. The Contractor shall conduct a walk-through of the testing process and the test results to enhance the State's understanding and to facilitate the approval process.
- A.47. Construct Interface. The Contractor shall construct the interface between the APS system and the DHS enterprise document management system. The Contractor shall work with F & A OIR Special Services Division and FileNet in the configuration of FileNet software to meet State-approved requirements.

- A.48. Test Interface. The Contractor shall test the interface between the APS system and the DHS enterprise document management system.
- A.49. Correct Problems Reported. The Contractor shall correct all problems reported during the Construction Phase in accordance with the Problem Resolution Plan.
- A.50. Evaluate System Performance. The Contractor shall perform capacity evaluation, as defined in the Capacity Analysis and Evaluation Plan, and make recommendations to the State, as necessary. The Contractor shall provide written affirmation and validate that the State's platform environment shall support the APS system in a full production capacity and meet performance standards.

The Contractor shall conduct a Capacity Evaluation Test during the Construction Phase of the project that addresses the needs and performance measurements identified in the Capacity Analysis and Evaluation Plan. Capacity Evaluation Testing shall be performed at a system level by the Contractor and in cooperation with the State project team, including individuals from OIR Database Administration, OIR Mainframe Technical Support, and OIR Telecommunications, during the Construction Phase of the project. The Capacity Evaluation Test shall include a stringent stress test that includes a simulation of workload and volume testing, which shall be used to test and monitor the limits of the system in a simulated production environment. The Capacity Evaluation Test shall be performed at peak times with peak volumes at traditional State sites and non-traditional sites. The Capacity Evaluation Test results shall determine whether the application conforms to acceptable response and hardware load conditions. The Contractor shall be required to perform capacity testing multiple times until satisfactory test results are obtained. The capacity test results shall confirm that the software and the hardware configuration meet the State's requirements.

The Contractor shall perform all application software, file structure, database and system software modifications necessary to ensure system performance reaches acceptable levels in production environments, based upon the results of the benchmarks or the capacity simulation models. The Contractor shall work with State and Contracted Network support staff to make other modifications necessary to ensure system performance reaches required performance standards in a production environment based on the results of system testing. If the State requires additional run-time improvements to meet performance requirements stated in this Contract, the Contractor shall cooperate fully and support any such requests without delay or additional compensation. Any proposed network addition shall be able to integrate with the existing State network.

The State may conduct independent capacity simulation models and, if the State so elects, the Contractor shall provide all necessary support for that process.

- A.51. Create System Documentation. The Contractor shall provide the physical data model and the data dictionary relating to the original application implemented by the Contractor, that is deemed necessary by the State to allow State staff to maintain the APS System and to implement software upgrades, bug fixes, and patches during the contract period and for the life of the APS system for all software applications as installed on the State's target platform. The Contractor shall provide program documentation for the final build/compile of each program. This program documentation must correspond to the software/hardware and consist of final compiles/builds run on the State's target platform. If triggers and stored procedures are used in the development of the APS system, program documentation shall be provided for the usage of each trigger and stored procedure.
- A.52. Create Operations Manual. The Contractor shall develop an Operations Manual, which features clear organization of content, easy to understand language, useful graphic presentations, and a thorough index and glossary. The Operations Manual shall provide State technical staff the knowledge to efficiently operate and update the system independent of Contractor assistance.

The Operations Manual shall address the view of the system required by technical users. It shall provide an understanding of the application, database design and file structures, relationships between programs, security, troubleshooting, special constraints, procedures for data recovery, and other operational guidelines.

The Operations Manual shall cover all aspects of the technical operation of the system and the following topics:

- a. application and database design and architecture;
- b. application structure and module/sub-module/program/subroutine relationships;
- c. application start-up/shut-down procedures;
- d. application backup, recovery, and restart procedures;
- e. data dictionary structure and maintenance procedures;
- f. database logical and physical organization, and maintenance procedures;
- g. application security features;
- h. audit and testing procedures;
- i. system data input, error checking, error correction, and data validation procedures;
- j. user help procedures and features;
- k. system troubleshooting and system tuning procedures and features;
- l. system administration functions, such as code management and copy file management;
- m. system interface processing;
- n. on-line processing procedures;
- o. unique processing procedures;
- p. report generation procedures;
- q. menu structures, chaining, and system command mode operations; and
- r. unique printing requirements.

The Operations Manual shall include overviews of the application, system structure, required administrative tasks, major processing, required interfaces, and required maintenance schedules. The Operations Manual shall also describe the overall process schedule, processing cycles, job streams and job submission logs including dependencies, files accessed, critical sequencing, timing criteria, and operating instructions for each process and process step consistent with the chosen environment. The Operations Manual shall also include, by processing cycle, a list of jobs that are mandatory to be run as scheduled and an explanation of what to expect (impact) if a job is not run. The Operations Manual shall also include a list of jobs that can be deferred and the instructions for running them at a later date and a list of jobs that can be run using concatenated files from multiple days. The Operations Manual shall include descriptions of special date files, parameter files, and other control files, including their purpose, procedures for creating them, specific jobs and programs that use them and procedures for their recovery in the event a cycle shall be restarted or rerun. The Contractor shall develop the backup operating instructions and on-line, batch, and database recovery procedures for the APS system. The Contractor shall provide help-desk procedures including problem identification, initial diagnosis along with checklists and problem resolution/referral procedures for the APS system

The Operation Manual shall be provided by the Contractor in electronic and hard copy.

The Operations Manual shall be revised with any changes resulting from the State's Acceptance testing and initial user training sessions.

A.53. Create User Documentation. The Contractor shall provide user documentation for the APS system in electronic and hard copy and in a format approved by the State. The Contractor shall store user documentation on storage media that is managed or controlled by the State.

A.53.a. User Manual. The Contractor shall develop a User Manual that features clear organization of content, easy to understand language, useful graphic presentations, and a thorough index and

glossary. The User Manual shall be completed prior to User Acceptance Testing and shall be used by the State Acceptance Test team to mirror the production environment and verify manual content.

The User Manual shall address all aspects of system functions and operations, including:

- 1) complete instructions for the users, explaining the use of each system function;
- 2) system usage scenarios, based on real world examples drawn from the day-to-day workloads of typical users, that fully describe and explain the salient features and operation of the system;
- 3) how input data is stored and related between system records;
- 4) how to generate/suppress standard and ad hoc reports (See Contract Attachment for Report, Notification, Correspondence, and Form requirements);
- 5) normal report distribution;
- 6) prioritization processing and system-determined priorities;
- 7) system log-on, log-off, and security features;
- 8) error messages, including a definition if the message is not self-explanatory, and error correction procedures;
- 9) help features and usage;
- 10) problem reporting procedures;
- 11) entering data and data validation;
- 12) mandatory data fields and default data values;
- 13) data correction and user help features;
- 14) menu and system function navigation;
- 15) screen layouts and contents; and
- 16) search and inquiry features.

The User Manual shall be able to serve as a reference guide and a teaching aid.

In conjunction with the User Manual, a Quick Reference User Document shall be produced by the Contractor that shall be an immediate aid to the user and quickly describe operations. The Contractor shall provide the User Manual and the Quick Reference User Document in electronic and hard copy and in a format approved by the State.

The User Manual and Quick Reference User Document shall be revised with any changes resulting from the State's Acceptance testing and initial user training sessions.

A.53.b. Procedure Manual. The Contractor shall provide the Procedure Manual in electronic and hard copy and in a format approved by the State. The Contractor shall develop a Procedure Manual which features clear organization of content, easy to understand language, useful graphic presentations, and a thorough index and glossary.

The Procedure Manual shall document instructions for manual operations and tasks that are performed in direct conjunction with the automated system. It shall address each task performed in a step by step procedure that identifies the action (task to be performed) and the individual with responsibility to complete the action.

The Procedure Manual shall be revised with any changes resulting from the State's Acceptance testing and initial user training sessions.

A.53.c. Business User Staff Training Curricula and Materials. The Contractor shall develop curricula and materials for training business users in electronic and hard copy and in a format approved by the State. The user staff training curricula and materials shall support the role-based training and be developed in accordance with the approved Training Plan.

The Business User Staff Training Curricula and Materials shall be updated to reflect all changes.

- A.53.d. Technical Staff Training Curricula and Materials. The Contractor shall develop curricula and materials for training technical staff in electronic and hard copy and in a format approved by the State. The technical staff training curricula and materials shall support the role-based training and be developed in accordance with the approved Training Plan.
- A.54. Complete Training Plan. The Contractor shall complete the Training Plan, in preparation for training during the User Acceptance Testing Phase.
- A.55. Complete Template for Training Assessment. The Contractor shall complete the template that shall be used for the assessment of business and technical staff training.
- A.56. Create and Maintain Training Environment. The Contractor shall create and maintain the training environment for all business and technical staff training.

The Contractor shall ensure that the training environment is operational. This includes, at a minimum, the following:

- 1) Creating and initializing all databases;
- 2) Installing the (acceptance) tested executable software; and
- 3) Ensuring stability of the system and refresh of data, as required.

- A.57. Create and Maintain the User Acceptance Testing Environment. The Contractor shall create and maintain the User Acceptance Testing environment. The Contractor shall create test data as required for User Acceptance Testing at the functional level to fully verify the application meets all of the system functional requirements. The Contractor shall ensure all interfaces, data set-up, tables, and user acceptance materials are ready before testing begins.

The Contractor shall ensure that the user acceptance testing environment is operational. This includes, at a minimum, the following:

- 1) Creating and initializing all databases;
- 2) Installing the (acceptance) tested executable software; and
- 3) Ensuring stability of the system and refresh of data, as required.

- A.58. Train the State's User Acceptance Testing Team. The Contractor shall train the State's User Acceptance Testing Team to thoroughly evaluate the accuracy, completeness, and understandability of all training materials and curricula. The Contractor shall have a structured approach to tracking and managing the changes to training curricula, resulting from User Acceptance Testing.
- A.59. Contractor's Responsibility for Construction Phase Deliverables. The Contractor shall submit the deliverables required for the Construction Phase, as defined in this Contract and summarized in Attachment H, to the State for review and approval decision at the end of this phase. In addition to the minimum project tasks and deliverables defined for the Contractor by the State, the Contractor shall be responsible for performing project tasks and completing additional project deliverables for the Construction Phase, as defined by the Contractor in the Contractor's Master Project Work Plan. The State understands that Contractor will continue work on future deliverables, where appropriate, prior to approval by the State on any deliverable submitted for review by Contractor. Both parties recognize that a change in a deliverable under review by the State that impacts the work done by Contractor on future deliverables will be the responsibility of the Contractor. Exceptions shall be approved by the State. The State and Contractor shall acknowledge completion of all Construction Phase Deliverables.

User Acceptance Test

- A.60. Initiate User Acceptance Test Plan. The State with the Contractor's support shall conduct User Acceptance Testing of the APS system. All requirements for functionality, interfaces, and all system output shall be tested during the User Acceptance Testing Phase.
- A.61. Utilize the State's Automated Test Tracking Tool. The Contractor shall utilize the State's automated test tracking tool as determined appropriate by the State. This tool tracks and facilitates management of issues, problems and discrepancies found during testing or retesting, resolution of these issues and progress towards user acceptance testing completion.
- A.62. Provide Dedicated Support for User Acceptance Testing. The Contractor shall provide dedicated support for User Acceptance Testing, including application and technical assistance.
- A.63. Correct Problems. The Contractor shall correct all problems discovered during user acceptance testing.
- A.64. Conduct Train-the-Trainer Training. The Contractor shall conduct Train-the-Trainer training for business users in preparation for the implementation of the APS system. The Contractor shall train State technical staff, as appropriate.
- A.64.a. Validate Effectiveness of Train-the-Trainer Training. In order to validate that training is effective, the Contractor shall:
- 1) ensure training is completed prior to implementation for all affected staff;
 - 2) prepare report of training effectiveness and validity;
 - 3) adjust training methods and/or materials to correct ineffective training; and
 - 4) revise all training materials for correction of deficiencies or resulting from system changes during the testing, training, and implementation phases.
- A.65. Certification of Completion of User Acceptance Testing of the APS System. The Contractor shall certify that the User Acceptance Testing of the APS system is complete and the system is ready to be deployed to State-selected pilot sites and the State's central office during the pilot deployment of the APS system.
- A.66. Update Data Models and Database. The Contractor shall update the conceptual and physical data models and the database, as required.
- A.67. Update Documentation. The Contractor shall update all documentation to reflect changes made during the User Acceptance Testing Phase.
- A.68. Evaluate System Performance. The Contractor shall perform capacity evaluation, as defined in the Capacity Analysis and Evaluation Plan, and make recommendations to the State, as necessary. The Contractor shall provide written affirmation and validate that the State's platform environment shall support the APS system in a full production capacity and meet performance standards.
- A.69. Contractor's Responsibility for User Acceptance Test Phase Deliverables. The Contractor shall submit the deliverables required for the User Acceptance Test Phase, as defined in this Contract and summarized in Attachment H, to the State for review and approval decision at the end of this phase. In addition to the minimum project tasks and deliverables defined for the Contractor by the State, the Contractor shall be responsible for performing project tasks and completing additional project deliverables for the User Acceptance Test Phase, as defined by the Contractor in the Contractor's Master Project Work Plan. The State understands that Contractor will continue work on future deliverables, where appropriate, prior to approval by the State on any deliverable submitted for review by Contractor. Both parties recognize that a change in a deliverable under review by the State that impacts the work done by Contractor on future deliverables will be the

responsibility of the Contractor. The State and Contractor shall acknowledge completion of all User Acceptance Test Phase Deliverables.

Implementation Phase

A.70. Deployment.

A.70.a. Pilot Deployment. The Contractor shall deploy and test the APS System at one pilot site, as determined by the State, prior to deploying the APS system Statewide. The Contractor shall certify that the pilot deployment is successful. State approval of the pilot deployment certification shall be required before the system is deployed statewide.

A.70.b. Statewide Deployment. The Contractor shall implement the APS system based on the approved Implementation Schedule and the Implementation Plan and shall provide for rigorous review and documentation of the results of the implementation. The Contractor shall produce the final implementation report at the completion of all implementation activities. The Contractor shall provide documentation that certifies the implementation of a fully operational APS System. The State and Contractor understand that State-wide rollout, after Pilot Deployment, will involve multiple locations at the same time. This will be further defined in the Implementation Plan that will be developed by the Contractor as identified in Section A.25.

A.71. Provide Operational Support. The Contractor shall ensure that the system is continually operational. The Contractor shall provide continuing on-line operational support to the State and Counties until statewide implementation is successfully completed. The Contractor shall assist with technical and user problems experienced and may be required to travel to specific sites to resolve issues.

A.72. Perform Problem Resolution. The Contractor shall correct all system deficiencies or discrepancies identified as required by the State and in accordance with the Problem Resolution Plan. The Contractor shall perform software maintenance at the State project site.

A.73. Create/Update Documentation. The Contractor shall complete or correct any system, user, or technical or training documentation that is incorrect or inadequate.

A.74. Provide Training Support. The Contractor shall provide support for the State's training. The Contractor shall provide the written procedures and the staff required to respond to user questions regarding the APS system that State Help Desk staff are unable to solve during deployment. The Contractor staff shall provide backup support to State Help Desk staff.

A.75. Capacity Analysis, Evaluation, and Benchmark Tests. The Contractor shall design and perform benchmark tests (to include network tests and pre-quantified and approved response times) before deployment to project the growth and determine the reliability of the system. The Contractor shall perform any system tuning necessary based upon the results. The benchmark shall be designed to produce information that supports projections of system performance characteristics and capacity projections of the system under statewide operations for two years following statewide implementation. The benchmark shall also address stress tests at each level of technology employed by the System. A capacity simulation and benchmark report documenting the projections shall be submitted to the State for review and approval.

A.76. Modify Software to Enhance System Performance. The Contractor shall perform all application software, file structure, and database modifications necessary to ensure system performance reaches acceptable levels in production environments, based upon the results of the benchmarks or the capacity simulation models. The State is responsible for changes to operating system software. If the State requires additional run-time improvements to meet performance

requirements stated in this Contract, the Contractor shall cooperate fully and support any such requests without delay or additional compensation.

- A.77. Participate in State's Backup and Recovery Test. The Contractor shall thoroughly test backup and recovery procedures developed by the Contractor for the APS system.
- A.78. Contractor's Responsibility for Implementation Phase Deliverables. The Contractor shall submit the deliverables required for the Implementation Phase, as defined in this Contract and summarized in Attachment H, to the State for review and approval decision at the end of this phase. In addition to the minimum project tasks and deliverables defined for the Contractor by the State, the Contractor shall be responsible for performing project tasks and completing additional project deliverables for the Implementation Phase, as defined by the Contractor in the Contractor's Master Project Work Plan. The State understands that Contractor will continue work on future deliverables, where appropriate, prior to approval by the State on any deliverable submitted for review by Contractor. Both parties recognize that a change in a deliverable under review by the State that impacts the work done by Contractor on future deliverables will be the responsibility of the Contractor. The State and Contractor shall acknowledge completion of all Implementation Phase Deliverables.

Post-Implementation Support Phase

- A.79. Operate the APS System. The Contractor shall be responsible for the daily operation of the APS system production system during the Post-Implementation Support Phase. At a minimum, the Contractor shall:
- a. Work with State information systems staff to coordinate and monitor all aspects of on-line production processing;
 - b. Monitor and manage on-line system response time;
 - c. Inform appropriate State information systems staff daily, through electronic mail, of the status of the system, on-line availability, and the results of on-line processing;
 - d. Participate in disaster recovery exercises; and
 - e. Provide operations support during core business hours (Monday thru Friday, 6:00 a.m. – 6:00 p.m. CST).
- A.80. Evaluate Capacity and Update Documentation. The Contractor shall perform capacity evaluation, as defined in the Capacity Analysis and Evaluation Plan, and make recommendations to the State. The Contractor shall provide written affirmation and validate that the State's platform environment shall support the new System in a full production capacity and meet performance standards. The Contractor shall provide detailed descriptions of any changes to the State's platform environment that would enhance the performance of the system.
- A.81. Mandatory On-Site Contractor Support. The Contractor shall maintain, operate, and provide on-site support staff for the APS system until the end of the Post Implementation Support Phase when all deliverables have been approved by the State.
- A.82. Initiate Turnover Plan. The Contractor shall initiate the Turnover Plan. The Contractor shall provide mentoring and training necessary to enable State staff to operate, support and maintain the APS system.
- A.82.a. Finalized System Documentation. Once system turnover is approved by the State, the Contractor shall provide to the State the current and complete versions of all System documentation in a form and content consistent with all applicable State standards.

- A.82.b. Turnover Results Report. The Contractor shall prepare the turnover results report documenting completion and results of the turnover plans, as well as current system status information regarding outstanding problems and recommendations for system enhancements, if any.
- A.82.c. Transfer Software Licenses to the State. The Contractor shall transfer all software licenses to the State for all software procured by the Contractor and approved by the State for use in the APS system at the end of the Post-Implementation Support Phase. Licensee agrees to comply with the terms and conditions, if any, imposed by the developer/owner of each component of the Third Party Software, which may be found at web site(s) listed in the Documentation, as amended from time to time, to the extent that such terms and conditions and amendments thereto are not inconsistent with this Contract or Tennessee state law.
- A.83. Contractor's Responsibility for Post-Implementation Support Phase Deliverables. The Contractor shall submit the deliverables required for the Post-Implementation Support Phase, as defined in this Contract and summarized in Attachment H, to the State for review and approval decision at the end of this phase. In addition to the minimum project tasks and deliverables defined for the Contractor by the State, the Contractor shall be responsible for performing project tasks and completing additional project deliverables for the Post-Implementation Support Phase, as defined by the Contractor in the Contractor's Master Project Work Plan. The State understands that Contractor will continue work on future deliverables, where appropriate, prior to approval by the State on any deliverable submitted for review by Contractor. Both parties recognize that a change in a deliverable under review by the State that impacts the work done by Contractor on future deliverables will be the responsibility of the Contractor. The State and Contractor shall acknowledge completion of all Post-Implementation Support Phase Deliverables.

Performance Standards and Liquidated Damages

A.84 Performance Standards and Liquidated Damages

- (i) The Contractor shall comply with minimum system performance requirements. At the first incident of failure to meet one or more of the defined performance standards in this section A.84, the State shall provide written notification to the Contractor of such failure.
- (ii) Upon written notification, the Contractor shall be automatically granted a thirty (30) day opportunity, from the date of the notice, to cure failure to meet contract performance standards under this Section A.84, except as stated in subsections (iii) and (iv), and the State may require the Contractor to implement a State-approved corrective action plan with interim progress requirements at such periods of time and under such conditions as the State determines are necessitated by the circumstances.
- (iii) The automatic opportunity to cure shall not be available in circumstances in which the contractor intentionally withholds its services or otherwise refuses to perform.
- (iv) The automatic opportunity to cure breach of contract performance shall not be available where there have been repeated problems with respect to identical or similar issues, if a cure period would unreasonably delay completion of the contract, or if State operations dependent on the contract would be adversely affected; provided, that in the preceding circumstances in this subsection A.84(iv), the State may, in its sole discretion and upon written request of the Contractor, provide a cure period, and may require the Contractor to implement a State-approved corrective action plan with interim progress requirements at such periods of time and under such conditions as the State determines are necessitated by the circumstances.
- (v) Continued failure to meet performance standards may result in imposition of the liquidated damages established in this paragraph or in the State deeming the Contract to be in breach.

The following table defines the standards required for Contractor performance for the APS System and the associated liquidated damages.

PERFORMANCE STANDARDS	
Requirement	Liquidated Damages
The APS System performance thresholds for application system response time as required by Section A.20.a.2).	Two Hundred Fifty Dollars (\$250.00) per day
The APS System performance thresholds for application system availability as required by Section A.20.a.1).	Two Thousand Five Hundred Dollars (\$2,500.00) per day
Failure to provide periodic progress reports as required by Section D.11 within seven (7) calendar days of the request.	One Hundred Twenty Five Dollars (\$125.00) per day
Failure to correct any defects covered by the warranty in A.85 within the timeframes stated in Section A.85.d.	Two Thousand Five Hundred Dollars (\$2,500.00) per day
Failure of the operation of any software program prepared by the Contractor, or the provision of incorrect instructions by Contractor given for the implementation/operation/use of any software programs, or the failure of the Contractor to repair or have repaired defects known to the Contractor in any hardware under the direction or control of the Contractor, any of which results in the incorrect processing of, the incorrect information/text being printed on reports, messages or forms from the APS System.	(a) The actual costs of mailing and postage; (b) The cost for the use of computer time chargeable to the Department of Human Services; and (c) The cost required to correct the error.

System Warranty

A.85. Warranty of System Products/Services.

A.85.a. 1) This warranty language shall supersede any warranty language provided by the Uniform Computer Information Transactions Act (UCITA).

A.85.a. 2) General Terms.

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

A.85.b. Warranty Periods.

- 1) The warranty period(s) shall be one (1) year, shall apply to the entire system and to products or services resulting from change orders and enhancements to the system, and shall begin on the following dates:
- 2) (i) The one (1) year warranty period on the entire APS System begins with the date the State approves in writing the "certification of state acceptance document" provided by the Contractor at the end of the implementation phase certifying full functionality of the APS System pursuant to the Contract reference in Section A.70 and required deliverable in Contract Attachment H (Certification of Implementation of Fully Operational System).
 - (ii) If any change orders or enhancements are requested by the State subsequent to the implementation phase, the one (1) year warranty begins on the date the State provides written acceptance of the product or services resulting from a change order or enhancement request.
- 3) The warranty shall be applicable when State staff performs any function under direction of the Contractor during any turnover, training or maintenance periods required in the Contract.
- 4) The warranty shall be applicable to modifications made to the system by the State during the warranty period, if the State obtains the Contractor's written consent prior to the State making the State-requested system modifications.

A.85.c. Warranty Coverage.

- 1) The warranty encompasses any errors, defects, deficiencies or deviations discovered in any products or services, including those used for the design and operation of the system.
- 2) The warranty requires the correction by the Contractor during the warranty periods outlined above of all products or services containing any errors, defects, deficiencies or deviations and any necessary modifications or revisions to products or services, including, by example, and not by limitation, the design, coding, and operation of the system's software to perform any function required by the Contract, whether occurring in the original contract or whether resulting from a change order or enhancement requested by the State, or which is procured in any amendment to the Contract, in any interfaces that are created, and in any training manuals and all system documentation provided by the Contractor.
- 3) Prior to the submission of any claim by the State under any warranty provision of this Contract, the parties shall mutually conduct a root cause analysis to evaluate the claimed defect ("Root Cause Analysis"). The Contractor shall be obligated to comply with the terms of the applicable warranty, only if the Root cause Analysis reveals that the claimed defect was caused by an action, error or omission of the Contractor.

A.85.d. Time Frames for Warranty Services.

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

then Contractor shall act to repair the deficiencies immediately, unless an extension is otherwise granted in writing, by the State.

- 4) The State will determine when any errors, defects, deficiencies or deviations have been resolved.

A.85.e. Resources Required for Warranty Service.

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

A.85.f. Failure to Provide Effective Warranty Services.

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

A.85.g. Contact for Warranty Services.

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

A.85.h. Maintenance of Operations and Services During Warranty Work.

The correction of errors, defects, deficiencies or deviations in any products or services being utilized by the Contractor in the maintenance of the APS System shall not detract from or interfere with software maintenance or operational tasks.

A.85.i. Problems Not Caused by Contractor Fault.

- 1) If Contractor personnel determine that the problem is not the fault of Contractor-provided software or hardware, then the Contractor shall notify State support personnel immediately.
- 2) If the State agrees that the problem is due to software or hardware provided by the State, the State shall resolve the problem. However, in this case, if requested by the State, Contractor personnel shall remain on-site and/or dedicated to the problem to perform any required joint functions until the problem is resolved, and the State shall compensate the Contractor, at the hourly rates as contained within Section C.3.2, only for the time the Contractor has to remain on site.

B. CONTRACT TERM:

B.1. Contract Term. This Contract shall be effective for the period commencing on June 1, 2007, and ending on January 31, 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 three (3) 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. 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 one million six hundred seventy-two thousand dollars (\$1,672,000). 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.

C.3.1 Cost by Phase Based on Completion of Development Phase Milestones

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.

The Total System Cost stated below shall be paid to the vendor in installments contingent upon the completion of Development Phase Milestones, as follows:

<u>DEVELOPMENT PHASE MILESTONE</u>	<u>COST BY PHASE</u>	<u>10% RETAINAGE AMOUNT</u> *	<u>PAYMENT AMOUNT</u>
General Design Phase – 10% of Total Development Cost	\$136,800	\$13,680	\$123,120
Detailed Design Phase – 20% of Total Development Cost plus Initial Cost of Software Licenses	\$349,600	\$34,960	\$314,640
Construction Phase – 20% of Total Development Cost plus Remaining Cost of Software Licenses	\$349,600	\$34,960	\$314,640
User Acceptance Test Phase – 20% of Total Development Cost	\$273,600	\$27,360	\$246,240
Implementation Phase – 20% of Total Development Cost	\$273,600	None	\$273,600
Total Retainage			\$110,960
Post-Implementation Support Phase – 10% of Total Development Cost	<u>\$136,800</u>	<u>None</u>	<u>\$136,800</u>
TOTAL		<u>\$110,960</u>	<u>\$1,520,000</u>

Upon completion of each Development Phase Milestone, the Contractor shall submit an invoice and certification of phase completion described in Section A of this Contract, in form and substance acceptable to the State, prior to any payment.

* The total retainage amount shall be paid to the Contractor within thirty (30) days of completion of the Implementation Phase.

C.3.2 Change Order Costs

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 total approved amount of State-approved change orders. The Contractor's compensation shall be contingent upon the satisfactory completion of units of service defined in the State-approved change orders. The Contractor shall be compensated based upon the following Service Rates:

Service/Position	Year 1 Hourly Change Order Rate	Year 2 Hourly Change Order Rate	Year 3 Hourly Change Order Rate
Project Manager	\$200	\$200	\$200
Lead Business Analyst	\$188	\$188	\$188
Database Coordinator (DBC)	\$188	\$188	\$188
Programmer/Analyst	\$150	\$150	\$150
Programmer	\$150	\$150	\$150
Test Manager	\$150	\$150	\$150

The Contractor shall submit monthly invoices for change order costs, 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 for the amount stipulated.

- 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, including, but not limited to, liquidated damages assessed under Section A.84. or costs to the State for failure to provide effective warranty services under Section A.85.f., or liquidated damages pursuant to Section E.4.a. for contract termination under Section E.4.
- 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 as determined by the State. 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. 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 as Attachment 1, 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.
- D.9 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.10. 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.11. Progress Reports. The Contractor shall submit brief, periodic, progress reports to the State as requested.
- D.12. 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.13. 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.14. State Liability. The State shall have no liability except as specifically provided in this Contract.
- D.15. 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.16. State and Federal Compliance. The Contractor shall comply with all applicable State and Federal laws and regulations in the performance of this Contract.
- D.17. 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.18. 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.19. 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.20. 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:

Lynne Diver, APS System Contract Manager
Tennessee Department of Human Services
400 Deaderick Street, 7th floor

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(615) 313-5281 (Office)
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The Contractor:

John Murray
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Suite 920,
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011-44-28-9078-8305 (Office)
011-44-7967-288981 (Cell)
011-44-28-9078-8339 (Fax)

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 immediately 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 within thirty (30) days, of a determination by the State that a breach has occurred. The notice shall contain a description of the Breach.

- i. In event of a Breach by Contractor, the state shall have available the remedy of Actual Damages and any other remedy available at law or equity.
- ii. Liquidated Damages— In the event of a Breach, identified in Section A.84, the State may assess Liquidated Damages, as described in Section A.84. The State shall notify the Contractor of amounts to be assessed as Liquidated Damages. The State may withhold the liquidated damage, as provided in Section C.7, only

after having followed the procedure set forth in Section A.84. The parties agree that due to the complicated nature of the Contractor's obligations under this Contract it would be difficult to specifically designate a monetary amount for a Breach by Contractor as said amounts are likely to be uncertain and not easily proven. Contractor hereby represents and covenants it has carefully reviewed the Liquidated Damages contained in Section A.84 and agrees that said amounts represent a reasonable relationship between the amount and what might reasonably be expected in the event of Breach, and are a reasonable estimate of the damages that would occur from a Breach. It is hereby agreed between the parties that the Liquidated Damages represent solely the damages and injuries sustained by the State in losing the benefit of the bargain with Contractor and do not include any injury or damage sustained by a third party. The Contractor agrees that the liquidated damage amount is in addition to any amounts Contractor may owe the State pursuant to the indemnity provision or other section of this Contract.

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

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

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

Upon Partial Default, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount. Contractor agrees to cooperate fully with the State in the event a Partial Default is taken.

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

damages incurred by the State and any and all expenses incurred by the State which exceed the amount the State would have paid Contractor under this Contract. Contractor agrees to cooperate with the State in the event of a Contract Termination or Partial Takeover.

v. Opportunity to Cure—

- (1) The contractor shall automatically be granted a thirty (30) day opportunity, from the date of the written notification in E.4.a. to cure a breach of contract due to a problem in contract performance, except as stated in subsection (3), The State may require the Contractor to implement a State-approved corrective action plan with interim progress requirements for such periods of time and under such conditions as the State determines are necessitated by the circumstances.
- (2) The cure period granted under subsection (1) shall not exceed thirty (30) days, unless the contractor submits a written request for a cure period longer than thirty (30) days setting forth the reasons for this request, and the State, in its sole discretion, grants this request. The State may require the Contractor to implement a State-approved corrective action plan with interim progress requirements at such periods of time and under such conditions as the State determines are necessitated by the circumstances.
- (3)
 - (i) This automatic opportunity to cure shall not be available in circumstances in which the contractor intentionally withholds its services or otherwise refuses to perform.
 - (ii) The automatic opportunity to cure breach of contract performance shall not be available where there have been repeated problems with respect to identical or similar issues, if a cure period would unreasonably delay completion of the contract, or if State operations dependent on the contract would be adversely affected; provided, that in the preceding circumstances in this subsection (3)(ii) the State, in its sole discretion, may, upon written request of the Contractor, provide a cure period pursuant to the criteria of subsection (2).

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. Ownership of Materials and Rights to Knowledge Obtained

The Contractor is a provider of COTS software, and software to be delivered shall be considered Pre-Existing Core Application software; provided, however, that if the State's requirements cannot be met solely with COTS software, the Contractor must provide custom-developed software to meet any other requirements for the APS system.

E.6.a. Software Definitions

E.6.a.i. Definitions of Software Types and Subtypes

(1) Custom-Developed Application Software

Any application software developed specifically for the State of Tennessee during the Adult Protective Services System project, using the State's monies, during the Adult Protective Services System project, and that does not meet the definitions of Software in paragraphs (2) or (3) below.

(2) Pre-Existing Core Application Software

Software including, but not limited to, complete packages, subroutines, builds, and/or individual lines of software code that is proposed as a part of the overall Adult Protective Services System. For example, the vendor may propose a previously developed application software package or some portion of a pre-existing core application software package with the intent of modifying this software to meet the State's needs. The pre-existing core application software that is proposed to deliver the overall or primary application software may be owned by the Contractor or third-party (including sub-contractor).

There are two sub-types of pre-existing core application software:

(a) Contractor-Owned Proprietary Core Application Software

Contractor-Owned Proprietary Core Application Software is commercially available software, including Commercial-Off-The-Shelf (COTS) solutions, owned by the Contractor making the Proposal, not otherwise meeting the definitions of Software in Paragraphs (1) or (2)(b) or (3) below, which is proposed to deliver the overall or primary solution functionality.

(b) Third Party Proprietary Core Application Software

Third Party Proprietary Core Application Software is Commercial Off-The-Shelf (COTS) software with pre-built components, not otherwise meeting the definitions of Software in Paragraphs (1), (2)(a) above, or (3) below, that is designed to be sold by the third party on the open market and is available for purchase from a commercial vendor.

Note that these definitions of Pre-Existing Core Application Software sub-types do not include Custom-Developed Application Software and Specialized Development/Operational Software, Add-Ons, Plug-Ins, and Components to Plug-Ins.

(3) Specialized Development/Operational Software, Add-Ons, Plug-Ins, and Components to Plug-Ins

Specialized Development/Operational Software, Add-Ons, Plug-Ins, and Components to Plug-Ins, not otherwise meeting the definitions of Software in Paragraphs (1) or (2) above, that are provided by the Contractor or third parties at established catalog or market prices and sold or leased to the general public for use in the development and/or required for the operation or maintenance of the solution, in addition to the application software of the Adult Protective Services System. (Examples: Specialized Development/Operational Software, such as Microsoft Word or Excel; software development tools; database management systems).

E.6.a.ii. Definitions of Software Categories

(1) State Standard Software - Software that is included as a State standard in the Tennessee Information Resources Architecture and Standard Products List in Contract Attachment I.

(2) Non-State Standard Software - Software that is not included as a State standard in the Tennessee Information Resources Architecture and Standard Products List in Contract Attachment I. Note that these products may be subject to restrictions imposed by the State to prevent the introduction of Non-State Standard Software.

E.6.b. Definition of Work Products.

E.6.b.i. "Work Products" shall mean Custom-Developed Application Software and the application source code pertaining thereto and all documentation, RFP/Contract deliverables and any other items provided by the vendor with Custom-Developed Application Software pursuant to this Contract.

E.6.b.ii. The only types/sub-types of software not included in Work Products as defined above are the following:

(1) Contractor-Owned Proprietary Core Application Software (sub-type of Pre-Existing Core Application Software).

(2) Third Party Proprietary Core Application Software (sub-type of Pre-Existing Core Application Software).

(3) Specialized Development/Operational Software, Add-Ons, Plug-Ins, and Components to Plug-Ins.

E.6.c. State's Rights of Ownership and Use of Work Products.

E.6.c.i. The State shall have all ownership right, title and interest in and to the Work Product, as defined in E.6.b, including without limitation all copyrights, patents, trade secrets and other intellectual property and other proprietary rights embodied by and arising out of the Work Product and shall belong to State. To the extent such rights do not automatically belong to Licensee, Software Provider hereby assigns, transfers, and conveys to Licensee all right, title and interest in and to the Work Product, including without limitation the copyrights, patents, trade secrets, and other intellectual property rights arising out of or embodied by the Work Product. Contractor shall execute any other documents that the State or its counsel deem necessary or desirable to document this transfer and/or allow Licensee to register its claims and rights to such intellectual property rights or enforce them against third parties, and Contractor shall cooperate fully in the foregoing endeavors.

- E.6.c.ii. The Contractor shall confer upon the State a perpetual, royalty-free, paid-up, non-exclusive, irrevocable, and unlimited right to use, operate, and modify all Work Products and all source code pertaining to any Work Products.
- E.6.c.iii. These ownership and licensing, use, operation, and modification rights shall also pertain to all Work Products or portions of Work Products and source code developed, including those specifically developed for the Department of Human Services' Adult Protective Services System, which have been provided, modified, configured, customized, extended, and/or installed for the State under this Contract.
- E.6.c.iv. The Contractor hereby warrants that Contractor is duly authorized to grant such ownership, use, operation, modification and licensing rights to Work Products.
- E.6.c.v. The rights described in this Section E.6.c.i. shall allow the State to reproduce, publish, modify, or otherwise use, and to authorize others to use the Work Products and all source code pertaining to any Custom-Developed Application Software provided pursuant to this Contract. These rights shall permit the State to authorize the use of the Work Products and all source code pertaining to Custom-Developed Application Software in any other project or activity funded by the State.
- E.6.c.vi. These provisions shall survive the term of this Contract.
- E.6.d. Definition of Proprietary Products
- E.6.d.i. "Proprietary Products" shall mean Contractor-Owned Proprietary Core Application Software (sub-type of Pre-Existing Core Application Software), Third Party Proprietary Core Application Software (sub-type of Pre-Existing Core Application Software), and Specialized Development/Operational Software, Add-Ons, Plug-Ins and Components to Plug-Ins that are included in the software category of Non-State Standard Software and that were complete and the property of the Contractor or Third party as of the effective date of the Contract and that are used in the performance of this Contract.
- E.6.d.ii. The only types/sub-types of software not included in Proprietary Products, as defined above, are the following:
- (1) Custom-Developed Application Software.
 - (2) Specialized Development/Operational Software, Add-Ons, Plug-Ins, and Components to Plug-Ins within the State-standard software category.
- E.6.e. State's Rights of Licensure and Use of Proprietary Products
The following provisions apply to Proprietary Products:
- (1) The Contractor hereby grants the State a perpetual, royalty-free, paid-up, non-exclusive, irrevocable, and limited license to use, operate, and modify the Proprietary Products that are utilized by the Contractor to develop the APS System under this Contract. The licenses shall be limited both in terms of use and number of users. The Contractor grants the State the right to transfer licenses only within the State and only for 140 concurrent licenses with 3 users per seat. The following definitions shall apply in determining use with each module having a per seat, per system or per processor limitation designated therein:

Per Seat means that the State requires a single 'per seat' license for each instance of the relevant Software module installed on a physical device (including, desktop and laptop personal computers (PCs) and personal digital assistants (PDAs)) used to access the server software. The Per Seat license can be used to install the relevant Software module

on any machine with access to the network (including machines of employees working at offsite locations, such as home workers);

Per System means that the State requires a single "per system" license for each system to which the relevant software module is connected by the State where a system represents something with one interface type and provides one service type (or represents one service area);

Per Processor means that the State requires a single 'per processor' license for each processor on which the relevant Software module is run by the State. Software modules licensed on a Per Processor basis may be accessed by users (including employees, agents, contractors and customers of the State) and/or by other software programs. Under this licensing model, there is no limit placed upon the number of users or other software programs accessing the relevant Software module.

The State further agrees that any client component of the proprietary software and any custom-developed software that is required to meet the State's requirements shall only be installed on hardware owned by the State, and the server component of the proprietary software and any custom-developed software that is required to meet the State's requirements shall only be installed and shall physically reside in a server in facilities operated by the State and further agrees that it shall not:

- (a) modify or remove any copyright or proprietary notices on the Software;
 - (b) except to the extent permitted by law (excluding the correction of errors) decompile, reverse engineer, disassemble or otherwise reduce any part of the Software to human-readable form nor permit any third party to do so;
 - (c) copy or create derivative works based upon the Software nor permit any third party to do so;
 - (d) re-license, sub-license, rent, lease, timeshare, or act as a service bureau or provide subscription services for the Software, nor assign or give any interest in the Software to another individual or entity; or
 - (e) exceed the use restrictions mentioned above
- (2) The State may make a reasonable number of back-up copies of the Software as are strictly necessary for its lawful use. The State shall maintain records of the number and location of all such copies of the Software.
- (3) (a) The Contractor shall provide the physical data model and the data dictionary relating to the original application implemented by the Contractor, that is deemed necessary by the State to allow State staff to design and construct new queries and reports, to modify queries and reports designed and constructed during the Contract period, as required by the State, and to maintain the APS System and implement software upgrades, bug fixes, and patches during the contract period and for the life of the APS system for all software applications as installed on the State's target platform.
- (b) The Contractor may choose to provide customization of any system software upgrades, bug fixes or patches or it may choose to provide the State with the source code for the APS System for the State to do so.
- (c) (i) The Contractor has, for the benefit of its licensees, established a multi license escrow agreement and has lodged the source code of the Lagan Owned Software and Documentation in escrow with NCC Escrow International Limited ("NCC").

The State shall be registered as a beneficiary under this Multi License Escrow Agreement, and the Contractor shall be responsible for the standard NCC annual fee charged to beneficiaries who subscribe through the end of the warranty period.

- (c) (ii) The Contractor shall provide the State with a signed letter from the escrow company in question stating that the code has been placed in escrow and confirming the State's right to obtain the source code directly from the escrow company in the event of Contractor default as described below.
- (c) (iii) Throughout the term of the contract and for the life of the system, the Contractor shall ensure that the source code in escrow is kept current with the State's production environment, matching the State's production version level, including any upgrades, enhancements, or new releases that are applied to the State's system.
- (d) If for any reason during the term of the contract and for the life of the system the Contractor becomes unable to fulfill its obligations as described herein, the Contractor agrees to deliver the source code held in escrow to the State. In the event that the Contractor fails to deliver the source code in a timely manner, as determined by the State, the State may obtain the source code directly from the escrow company.
- (4) The Contractor warrants that Contractor is duly authorized to grant this right on behalf of itself for any Contractor-Owned Proprietary Core Application Software (sub-type of Pre-Existing Core Application Software); and for any Third Party Proprietary products, if software is owned by a Third Party, Contractor is solely responsible for obtaining any written agreements with Third Party Proprietary Product owners, in accordance with Section A.82.c, that grant the Contractor authority to grant to the State the rights stated above by the contract execution deadline. The requirements for software procurement, licensing, and costs are documented in Contract Attachment F, State Technical and Architecture Requirements, Section F.1.5.
- (5) The State shall take all reasonable steps, consistent with State law, to preserve the confidential and proprietary nature of the Proprietary Products. The State shall make reasonable efforts not to disclose or disseminate proprietary information to a third party that is not an agent of the State.
- (6) These provisions shall survive the term of the Contract.

E.6.f. Contractor's/Third Party's Rights of Ownership of Proprietary Products

The Contractor or third party shall retain ownership right, title, and interest in the Proprietary Products that are used to develop and maintain the APS System.

E.6.g. Contractor's Responsibility for Adherence to Performance and Warranty Requirements

Notwithstanding the State's rights to ownership or to use without license fees or other costs, the Contractor remains responsible for adherence to all performance and warranty requirements for the Adult Protective Services System, as established by the Contract. The requirements for software procurement, licensing and costs are documented in Contract Attachment F, State Technical and Architecture Requirements, Section F.1.5.

E.6.h. Acquired Knowledge and Skills

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

- E.6.i. Development/Utilization of Similar Materials
Nothing in the Contract shall prohibit the Contractor from developing for itself, or for others, materials which are similar to and/or competitive with those that are produced under this Contract and from licensing the same to other parties.
- E.7. Printing Authorization. The Contractor agrees that no publication coming within the jurisdiction of **Tennessee Code Annotated**, Section 12-7-101, *et. seq.*, shall be printed unless a printing authorization number has been obtained and affixed as required by **Tennessee Code Annotated**, Section 12-7-103 (d).
- E.8. State Furnished Property. The Contractor shall be responsible for the correct use, maintenance, and protection of all articles of nonexpendable, tangible, personal property furnished by the State for the Contractor's temporary use under this Contract. Upon termination of this Contract, all property furnished shall be returned to the State in good order and condition as when received, reasonable use and wear thereof excepted. Should the property be destroyed, lost, or stolen, the Contractor shall be responsible to the State for the residual value of the property at the time of loss.
- E.9. Incorporation of Additional Documents. Included in this Contract by reference are the following documents:
- a. The Contract document and its attachments
 - b. All Clarifications and addenda made to the Contractor's Proposal
 - c. The Request for Proposal and its associated amendments
 - d. Technical Specifications provided to the Contractor
 - e. 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.10. Workpapers Subject to Review. The Contractor shall make all audit, accounting, or financial analysis workpapers, notes, and other documentation available for review by the Comptroller of the Treasury or his representatives, upon request, during normal working hours either while the analysis is in progress or subsequent to the completion of this Contract.
- E.11. 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.12. 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.13. Prohibited Advertising. In recognizing Contractor's need to identify its services and related clients in its sales and marketing efforts, the State shall not inhibit Contractor from publicizing its role under this Contract, provided that Contractor shall develop all publicity material in a professional manner and shall not publish or disseminate any commercial advertisements, press releases, feature articles, or other materials using the name of the State without the prior written consent of the State's Project Manager. Contractor may, without the prior written consent of the State indicate in its proposals and other sales and marketing efforts that it has been awarded this Contract with the State.

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.14. Confidentiality of Records. Strict standards of confidentiality of records and information shall be maintained in accordance with applicable state and federal law. All material and information, regardless of form, medium or method of communication, provided to the Contractor by the State or acquired by the Contractor on behalf of the State shall be regarded as confidential information in accordance with the provisions of applicable state and federal law, state and federal rules and regulations, departmental policy, and ethical standards. Such confidential information shall not be disclosed, and all necessary steps shall be taken by the Contractor to safeguard the confidentiality of such material or information in conformance with applicable state and federal law, state and federal rules and regulations, departmental policy, and ethical standards.

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

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

- E.15. 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. To the extent that the State's and

Contractor's interest are not in conflict, the State shall provide reasonable assistance to the Contractor in resolving all copyright and patent issues.

- E.16. 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.17. 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.18. 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.19. 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 (TCRS), provides that if a retired member of TCRS, or of any superseded system administered by TCRS, or of any local retirement fund established pursuant to **Tennessee Code Annotated**, Title 8, Chapter 35, Part 3 accepts 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 TCRS the amount of retirement benefits the Contractor received from TCRS during the period of this Contract.

- E.20. 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 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 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.21. Public Exigency Service Provision Extension. At the option of the State, the Contractor agrees to continue services for the Department when the Department determines there is a public exigency that requires the contracted services to continue. Continuation of services pursuant to this subsection shall be in six (6) month increments and the total of all public exigency extensions shall not exceed twelve (12) months. Thirty (30) days notice shall be given by the Department before this option is exercised. The Contractor reimbursement rate during emergency periods shall be the established regular Unit Rate in effect during the last year of this Contract, or as amended during that period and which is effective on the date of the thirty (30) days notice.
- E.22. Contract Services Transition. Upon termination of this Contract for whatever reason (expiration or termination), the Contractor shall assist the State to ensure an orderly transfer of responsibility and/or continuity of those services required under the terms of the Contract to an organization designated by the State, if requested in writing.
- E.22.a. The Contractor shall deliver, FOB (free on board) destination, all records, documentation, reports, data, hard copy and electronic files, recommendations, etc., which were required to be produced under the terms of the Contract to the State and/or the State's designee promptly and with due diligence after receipt of the written request.
- E.22.b. The Contractor shall discontinue providing the service or accepting new assignments under the terms of this Contract, on the date specified by the State, in order to ensure the completion of such service prior to the termination of the Contract.
- E.23. Contractor Limitation of Liability. The Contractor's liability to the State, and its indemnification of the State for any acts or omissions attributable to the Contractor under this Contract, shall be limited to two (2) times the value of the Contract. The value of the contract shall be determined by the State's Maximum Liability provisions in Paragraph C.1. of this Contract, or as such Maximum Liability may be amended. This limitation applies to all causes of action, including without limitation, breach of contract, breach of warranty, negligent acts, consequential, special, indirect, and punitive damages, but specifically shall not apply to criminal acts, intentional torts or fraudulent conduct of the Contractor.
- E.24. Contractor Commitment to Diversity. The Contractor shall comply with and make reasonable business efforts to exceed the commitment to diversity represented by the Contractor's proposal

responding to RFP-345.49-622 (Attachment 6.3, Section B, Item B.13.) and resulting in this Contract.

The Contractor shall assist the State in monitoring the Contractor's performance of this commitment by providing, as requested, a quarterly report of participation in the performance of this Contract by small business enterprises and businesses owned by minorities, women, and persons with a disability. Such reports shall be provided to the state of Tennessee Governor's Office of Business Diversity Enterprise in form and substance as required by said office.

