CONTRACT #1
RFS # 345.13-77707
FA # 07-17142

Human Services
Child Support Services

VENDOR:
YoungWilliams, P.C.

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

December 17, 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
DEC 20 2010
FISCAL REVIEW

Dear Mr. White:

In submitting this non-competitive amendment request for the consideration of the Fiscal Review Committee, please know that the Department of Human Services continues to seek methods by which we can reduce costs, while minimizing any negative impact to the clients we serve. In this vein, we have negotiated, per the terms of the original Request for Proposals, a rate for the final year of the contract which is further reduced from prior year rates. Utilization of unexpended funds from prior years of the contract, combined with the contractor's reduced rates for service provision, have resulted in the need to increase the total contract amount by only $1,830,000 for the final year of the contract. The level of services provided by the contractor will remain the same.

The subject contract with YoungWilliams, P.C. is for the provision of child support enforcement services in the 6th Judicial District (Knox County). This amendment seeks to extend the contract for a fifth year, an option included in the original RFP when the competitive procurement was conducted and the contract awarded in Fiscal Year 2007. Such contract extension was originally designed to limit payment rates to the contractor in excess of those presently being paid in year three of the contract. Extending the term of the existing contract is in the best interest of the State.

In addition to the actual text of the non–competitive amendment #2 with its corresponding *Summary Cover Sheet*, we have provided a copy of the executed base contract, a copy of the executed non-competitive amendment #1, a *Non-competitive Amendment Request* form, and the supplemental documentation that is required by the FRC.

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
Commissioner

VTL:DTG

Attachments

Supplemental Documentation Required for Fiscal Review Committee

*Contact Name:	Jeff Roberts	*Contact Phone:	(615) 313-4705
*Original Contract Number:	FA 07-17142	*Original RFS Number:	34513-77707
Edison Contract Number: *(if applicable)*	16496	Edison RFS Number: *(if applicable)*	N/A
*Original Contract Begin Date:	March 1, 2007	*Current End Date:	February 28, 2011
Current Request Amendment Number: *(if applicable)*		Two	
Proposed Amendment Effective Date: *(if applicable)*		March 1, 2011	
*Department Submitting:		Department of Human Services	
*Division:		Child Support Services	
*Date Submitted:		December 20, 2010	
*Submitted Within Sixty (60) days:		Yes	
If not, explain:			
*Contract Vendor Name:		YoungWilliams, P.C.	
*Current Maximum Liability:		$12,870,000	

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

FY: 2007	FY: 2008	FY: 2009	FY: 2010	FY: 2011
$ 1,133,333	$ 3,300,000	$ 3,100,000	$ 3,156,667	$ 2,180,000

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

FY: 2007	FY: 2008	FY: 2009	FY: 2010	FY: 2011
$ 1,333,333	$ 3,113,322	$ 2,733,112	$ 2,426,996	$ 1,116,142 YTD

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

*Contract	State:		Federal:	

Supplemental Documentation Required for Fiscal Review Committee

Funding Source/Amount:				
Interdepartmental:			*Other*:	
If "*other*" please define:				

Dates of All Previous Amendments or Revisions: *(if applicable)*	Brief Description of Actions in Previous Amendments or Revisions: *(if applicable)*
January, 2010	Contract term extension to add year four of contract.

Method of Original Award: *(if applicable)*	Request for Proposals
*What were the projected costs of the service for the entire term of the contract prior to contract award?	$16,100,000

Supplemental Documentation Required for Fiscal Review Committee

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.

If it is determined that the question is not applicable to your contract document attach detailed explanation as to why that determination was made.

Planned expenditures by fiscal year by deliverable. Add rows as necessary to indicate all estimated contract expenditures.

Deliverable description:	FY: 2011	FY: 2012	FY:	FY:	FY:
Child Support enforcement	$3,200,000	$2,093,200			

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.

Deliverable description:	FY: 2011	FY: 2012	FY:	FY:	FY:
Child Support enforcement	$37,680	$75,361			

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.

Proposed Vendor Cost: (name of vendor)	FY: 2011	FY: 2012	FY:	FY:	FY:
YoungWilliams	$ 1,020,000	$ 2,093,200			
Other Vendor Cost: (Policy Studies)	FY:	FY:	FY:	FY:	FY:
Based on original RFP	$ 1,350,480	$ 2,771,393			
Other Vendor Cost: (name of vendor)	FY:	FY:	FY:	FY:	FY:

FY 2007

BDEPT	BDATE	T	NO	SEQ	EFFDATE	FFY	DMI	TC	CC	DEPT	FDD	OBJ	GRANT	VENDOR	REFDOC	WARRANT	AMOUNT	DESCRIPTIO	VENDORNAME	ADDR1	CITY	STATE	ZZIP	PDATE
34501	070508	D	550	00005	070508	07	7	103	101	34513	1100	083	490001	V64084700900	FA0717142	4287783	$343,394.35	CHILD SUPPORT ENFORCEMENT SERVICES 3/07	YOUNG WILLIAMS P.C.	210 E CAPITOL ST #2000	JACKSON	MS	39201	070509
34501	070517	D	552	00004	070517	07	7	103	101	34513	1100	083	490001	V64084700900	FA0717142	4315727	$271,446.59	CHILD SUPPORT ENFORCEMENT SERVICES 04/07	YOUNG WILLIAMS P.C.	210 E CAPITOL ST #2000	JACKSON	MS	39201	070518
34501	070625	D	550	00005	070625	07	7	103	101	34513	1100	083	490001	V64084700900	FA0717142	4405748	$290,269.34	CHILD SUPPORT ENFORCEMENT SERVICE 05/07	YOUNG WILLIAMS P.C.	210 E CAPITOL ST #2000	JACKSON	MS	39201	070627
34501	070724	G	005	00018	070630	07	0	450	101	34513	1100	083	490001	V64084700900	FA0717142		$228,222.72		YOUNG WILLIAMS P.C.	210 E CAPITOL ST #2000	JACKSON	MS	39201	070807
																	$1,133,333.00							

FY 2008

BDEPT	BDATE	T	NO	SEQ	EFFDATE	FFY	DMI	TC	CC	DEPT	FDD	OBJ	GRANT	VENDOR	REFDOC	WARRANT	AMOUNT	DESCRIPTIO	VENDORNAME	ADDR1	CITY	STATE	ZZIP	PDATE
34501	070821	D	551	00004	070821	08	7	103	101	34513	1100	083	490001	V64084700900	FA0717142	4533856	$256,829.07	CHILD SUPPORT ENFORCEMENT SERVICES 07/07	YOUNG WILLIAMS P.C.	210 E CAPITOL ST #2000	JACKSON	MS	39201	070822
34501	070828	D	551	00004	070828	08	7	103	101	34513	1100	083	490001	V64084700900	FA0717142	4550700	$45,036.58	CHILD SUPPORT ENFORCEMENT SERVICES 07/07	YOUNG WILLIAMS P.C.	210 E CAPITOL ST #2000	JACKSON	MS	39201	070829
34501	071002	D	550	00004	071002	08	7	103	101	34513	1100	083	495001	V64084700900	FA0717142	4635728	$267,167.91	CHILD SUPPORT ENFORCEMENT SVCS 08/07	YOUNG WILLIAMS P.C.	210 E CAPITOL ST #2000	JACKSON	MS	39201	071003
34501	071029	D	551	00004	071029	08	7	103	101	34513	1100	083	495001	V64084700900	FA0717142	4707243	$240,164.13	CHILD SUPPORT ENFORCEMENT SERVICES 9/07	YOUNG WILLIAMS P.C.	210 E CAPITOL ST #2000	JACKSON	MS	39201	071031
34501	071127	D	552	00002	071127	08	7	103	101	34513	1100	083	495001	V64084700900	FA0717142	4765759	$274,017.17	C.S. ENFORCEMENT SERVICES 10/07	YOUNG WILLIAMS P.C.	210 E CAPITOL ST #2000	JACKSON	MS	39201	071128
34501	080104	D	552	00004	080104	08	7	103	101	34513	1100	083	495001	V64084700900	FA0717142	4857453	$247,990.20	C.S. ENFORCEMENT SERVICES 11/07	YOUNG WILLIAMS P.C.	210 E CAPITOL ST #2000	JACKSON	MS	39201	080107
34501	080129	D	552	00002	080129	08	7	103	101	34513	1100	083	495001	V64084700900	FA0717142	4923071	$252,637.63	C.S. ENFORCEMENT SERVICES 12/07	YOUNG WILLIAMS P.C.	210 E CAPITOL ST #2000	JACKSON	MS	39201	080131
34501	080221	D	550	00016	080221	08	7	103	101	34513	1100	083	495001	V64084700900	FA0717142	4974445	$269,143.41	CHILD SUPPORT ENFORCEMENT SERVICE 01/08	YOUNG WILLIAMS P.C.	210 E CAPITOL ST #2000	JACKSON	MS	39201	080222
34501	080318	D	550	00003	080318	08	7	103	101	34513	1100	083	495001	V64084700900	FA0717142	5043028	$243,541.87	C.S. ENFORCEMENT SERVICE 02/08	YOUNG WILLIAMS P.C.	210 E CAPITOL ST #2000	JACKSON	MS	39201	080320
34501	080507	D	550	00009	080507	08	7	103	101	34513	1100	083	495001	V64084700900	FA0717142	5165650	$261,377.15	C.S. ENFORCEMENT SERVICES 03/08	YOUNG WILLIAMS P.C.	210 E CAPITOL ST #2000	JACKSON	MS	39201	080508
34501	080520	D	551	00007	080520	08	7	103	101	34513	1100	083	495001	V64084700900	FA0717142	5204913	$250,241.11	C.S. ENFORCEMENT SERVICES 04/08	YOUNG WILLIAMS P.C.	210 E CAPITOL ST #2000	JACKSON	MS	39201	080523
34501	080624	D	550	00004	080624	08	7	103	101	34513	1100	083	495001	V64084700900	FA0717142	5289578	$261,762.80	CHILD SUPPORT ENFORCEMENT SVCS 05/08	YOUNG WILLIAMS P.C.	210 E CAPITOL ST #2000	JACKSON	MS	39201	080630
34501	080728	G	008	00011	080630	08	0	264	101	34513	1100	083	495001		FA0717142		$243,412.62							080801
																	$3,113,321.65							

FY 2009

BDEPT	BDATE	T	NO	SEQ	EFFDATE	FFY	DMI	TC	CC	DEPT	FDD	OBJ	GRANT	VENDOR	REFDOC	WARRANT	AMOUNT	DESCRIPTIO	VENDORNAME	ADDR1	CITY	STATE	ZZIP	PDATE
34501	080728	G	009	00011	080731	09	0	442	101	34513	1100	083	495001		FA0717142		($243,412.62)							080801
34501	080811	D	551	00001	080811	09	7	103	101	34513	1100	083	495001	V64084700900	FA0717142	5394424	$243,412.62	CHILD SUPPORT ENFORCEMENT 06/08	YOUNG WILLIAMS P.C.	210 E CAPITOL ST #2000	JACKSON	MS	39201	080820
34501	080910	D	551	00004	080910	09	7	103	101	34513	1100	083	495001	V64084700900	FA0717142	5444251	$251,802.54	C.S. ENFORCEMENT SERVICES 07/08	YOUNG WILLIAMS P.C.	210 E CAPITOL ST #2000	JACKSON	MS	39201	080912
34501	080919	D	551	00003	080919	09	7	103	101	34513	1100	083	495001	V64084700900	FA0717142	5465780	$240,172.20	C.S. ENFORCEMENT SERVICES 08/08	YOUNG WILLIAMS P.C.	210 E CAPITOL ST #2000	JACKSON	MS	39201	080924
34501	081016	D	551	00007	081016	09	7	103	101	34513	1100	083	500001	V64084700900	FA0717142	5521975	$207,712.45	CHILD SUPPORT ENFORCEMENT SVCS 09/08	YOUNG WILLIAMS P.C.	210 E CAPITOL ST #2000	JACKSON	MS	39201	081021
34501	081121	D	550	00005	081121	09	7	103	101	34513	1100	083	500001	V64084700900	FA0717142	5591638	$217,218.35	C.S. ENFORCEMENT SERVICES 10/08	YOUNG WILLIAMS P.C.	210 E CAPITOL ST #2000	JACKSON	MS	39201	081124
34501	081231	D	552	00001	081231	09	7	103	101	34513	1100	083	500001	V64084700900	FA0717142	5667201	$191,575.45	C.S. ENFORCEMENT SERVICES 11/08	YOUNG WILLIAMS P.C.	210 E CAPITOL ST #2000	JACKSON	MS	39201	090105
34501	090122	D	550	00006	090122	09	7	103	101	34513	1100	083	500001	V64084700900	FA0717142	5701845	$226,054.07	CHILD SUPPORT ENFORCEMENT 12/08	YOUNG WILLIAMS P.C.	210 E CAPITOL ST #2000	JACKSON	MS	39201	090126
34501	090219	D	550	00004	090219	09	7	103	101	34513	1100	083	500001	V64084700900	FA0717142	5754376	$217,793.16	CHILD SUPPORT ENFORCEMENT SERVICE 01/09	YOUNG WILLIAMS P.C.	210 E CAPITOL ST #2000	JACKSON	MS	39201	090220
34501	090312	D	551	00008	090312	09	7	103	101	34513	1100	083	500001	V64084700900	FA0717142	5799619	$198,788.78	C.S. ENFORCEMENT SERVICES 02/09	YOUNG WILLIAMS P.C.	210 E CAPITOL ST #2000	JACKSON	MS	39201	090313
34501	090420	D	551	00008	090420	09	7	103	101	34513	1100	089	500001	V64084700900	FA0717142	5870991	$257,103.97	CHILD SUPPORT ENFORCEMENT 03/09	YOUNG WILLIAMS P.C.	210 E CAPITOL ST #2000	JACKSON	MS	39201	090422
34501	090519	D	550	00009	090519	09	7	103	101	34513	1100	089	500001	V64084700900	FA0717142	5916215	$228,116.33	CHILD SUPPORT ENFORCEMENT SERVICES 04/09	YOUNG WILLIAMS P.C.	210 E CAPITOL ST #2000	JACKSON	MS	39201	090520
34501	090622	D	553	00012	090622	09	7	103	101	34513	1100	089	500001	V64084700900	FA0717142	5974012	$265,766.82	CHILD SUPPORT ENFORCEMENT SVCS 05/09	YOUNG WILLIAMS P.C.	210 E CAPITOL ST #2000	JACKSON	MS	39201	090626
34501	090727	G	006	00010	090630	09	0	264	101	34513	1100	083	500001		FA0717142		$231,008.18							090729
																	$2,733,112.30							

BDEPT	BDATE	T	NO	SEQ	EFFDATE	FFY	DMI	TC	CC	DEPT	FDD	OBJ	GRANT	VENDOR	REFDOC	WARRANT	AMOUNT	DESCRIPTIO	VENDORNAME	ADDR1	CITY	STATE	ZZIP	PDATE
34501	090727	G	004	00010	090731	10	0	442	101	34513	1100	083	500001		FA0717142		($231,008.18)							090729
34501	090814	D	550	00002	090814	10	7	103	101	34513	1100	083	500001	V64084700901	FA0717142	6035932	$231,008.18	CHILD SUPPORT EXPENDITURE 06/09	YOUNG WILLIAMS PC	PO BOX 23458	JACKSON	MS	39225	090817
34501	090824	D	551	00001	090824	10	7	103	101	34513	1100	083	500001	V64084700901	FA0717142	6046398	$200,491.98	CHILD SUPPORT ENFORCEMENT SERVICES 07/09	YOUNG WILLIAMS PC	PO BOX 23458	JACKSON	MS	39225	090825
																	$200,491.98							

Unit	Voucher	Invoice	Remit Vndr	Name	Gross Amt	Reference	Pymnt Date	Recon Status	Reconciled Date	Warrant Amount	Method
34501	00000344	31	0000071771	Young Williams Pc	193,940.80	0000220878	11/12/2009	REC	11/21/2009	193,940.80	CHK
34501	00001395	32	0000071771	Young Williams Pc	216,460.03	0000292716	12/15/2009	REC	12/24/2009	216,460.03	CHK
34501	00002462	33	0000071771	Young Williams Pc	205,329.43	0000324673	12/29/2009	REC	1/9/2010	205,329.43	CHK
34501	00003334	34	0000071771	Young Williams Pc	191,112.29	0000353223	1/13/2010	REC	1/22/2010	191,112.29	CHK
34501	00004527	35	0000071771	Young Williams Pc	235,059.13	0000410718	2/5/2010	REC	2/17/2010	235,059.13	CHK
34501	00005617	36	0000071771	Young Williams Pc	193,959.26	0000461826	2/26/2010	REC	3/11/2010	193,959.26	CHK
34501	00007428	37	0000071771	Young Williams Pc	240,322.70	0000306238	3/30/2010	REC	9/7/2010	240,322.70	EFT
34501	00008862	38	0000071771	Young Williams Pc	251,268.26	0000345393	4/30/2010	REC	9/7/2010	251,268.26	EFT
34501	00010509	39	0000071771	Young Williams Pc	239,478.34	0000380387	5/28/2010	REC	9/7/2010	239,478.34	EFT
34501	00010508	38a	0000071771	Young Williams Pc	8,375.61	0000387950	6/4/2010	REC	9/7/2010	8,375.61	EFT
34501	00013358	40	0000071771	Young Williams Pc	251,198.25	0000430554	7/7/2010	REC	9/7/2010	251,198.25	EFT
34501	00014824	41	0000071771	Young Williams Pc	218,990.40	0000458654	7/30/2010	REC	9/7/2010	218,990.40	EFT
34501	00021095	42	0000071771	Young Williams Pc	226,498.73	0000492978	8/30/2010	REC	9/8/2010	226,498.73	EFT
34501	00024707	43	0000071771	Young Williams Pc	217,261.04	0000531799	9/30/2010	REC	10/14/2010	217,261.04	EFT
34501	00031325	44	0000071771	Young Williams Pc	221,896.54	0000607348	11/26/2010	UNR		221,896.54	EFT
34501	00031147	45	0000071771	Young Williams Pc	231,494.99	0000607346	11/26/2010	UNR		231,494.99	EFT

NON-COMPETITIVE AMENDMENT REQUEST:

APPROVED
Commissioner of Finance & Administration

1) RFS #	34513-04411
2) Procuring Agency :	Department of Human Services
EXISTING CONTRACT INFORMATON	
3) Service Caption :	Child Support Enforcement Services; 6th Judicial District
4) Contractor :	YoungWilliams, P.C.
5) Contract #	FA 07-17142
6) Contract Start Date :	March 1, 2007
7) **CURRENT Contract End Date :** (if ALL options to extend the contract are exercised)	February 29, 2012
8) **CURRENT Maximum Cost :** (if ALL options to extend the contract are exercised)	$ 14,700,000.00
PROPOSED AMENDMENT INFORMATON	
9) Amendment #	Two
10) Amendment Effective Date : (attached explanation required if < 60 days after F&A receipt)	March 1, 2011
11) PROPOSED Contract End Date : (if ALL options to extend the contract are exercised)	February 29, 2012
12) PROPOSED Maximum Cost : (if ALL options to extend the contract are exercised)	$ 14,700,000.00
13) Approval Criteria : (select one)	☒ **use of Non-Competitive Negotiation is in the best interest of the state**
	☐ **only one uniquely qualified service provider able to provide the service**

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

The effect of the proposed amendment is to extend the term of the contract for a fifth and final year, beginning on March 1, 2011, and ending on February 29, 2012. The services to be provided by the contractor during the term extension will be the same as those provided presently.

15) Explanation of Need for the Proposed Amendment :

As stated in the response to #14 above, this amendment will extend the term of the present contract. When the services were initially procured via RFP, a contract term of five years was contemplated.

16) Name & Address of Contractor's Current Principal Owner(s) : (not required for a TN state education institution)

Robert Wells, President
YoungWilliams, P.C.
210 E. Capitol Street; Suite 2000
Jackson, MS 39201

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 :

The subject contract was competitively awarded through a Request for Proposals process. The RFP solicited cost bids for the first three contract years, and stipulated that years four and five of the contract term will be negotiated year-by-year prior to extending the term of the contract. The negotiated rate for those years must be equal to or less than the rate paid in year three of the contract (7.8%).

The Department has negotiated a rate of 7.5% for the final year of the contract. This negotiated rate as required in the contract will be the lowest rate paid over the term of the contract. Given this, it is in the best interest of the state to continue the contract for the fifth and final year with the present contractor.

21) Justification for the Proposed Non-Competitive Amendment :

See response to #20 above.

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 12-16-10

Virginia T. Lodge, Commissioner **DATE**

CONTRACT AMENDMENT

Agency Tracking #	Edison ID	Contract #	Amendment #
34513-77707	16496	FA 07-17142	02

Contractor Legal Entity Name	Registration ID
YoungWilliams, P.C.	71771

Amendment Purpose & Effect(s)

This amendment extends the contract term by 1 year.

Amendment Changes Contract End Date: ☒ YES ☐ NO **End Date:** February 29, 2012

Maximum Liability (TOTAL Contract Amount) Increase/Decrease per this Amendment: **$1,830,000**

FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2007	$385,322	$747,978	$0.00	$0.00	$1,133,300
2008	$1,058,522	$2,054,778	$0.00	$0.00	$3,113,300
2009	$929,254	$1,803,846	$0.00	$0.00	$2,733,100
2010	$825,180	$1,601,820	$0.00	$0.00	$2,427,000
2011	$1,088,000	$2,112,000	$0.00	$0.00	$3,200,000
2012	$711,722	$1,381,578	$0.00	$0.00	$2,093,300
TOTAL:	**$4,998,000**	**$9,702,000**	**$0.00**	**$0.00**	**$14,700,000**

American Recovery and Reinvestment Act (ARRA) Funding: ☐ YES ☒ NO

Budget Officer Confirmation: There is a balance in the appropriation from which obligations hereunder are required to be paid that is not already encumbered to pay other obligations.

Jeffrey W. Roberts

Speed Code	Account Code
HS00000229	70803000

OCR USE

AMENDMENT TWO
TO FA 07-17142

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

1. The text of contract section B.1. is deleted in its entirety and replaced with the following:

   B.1. Contract Term. This Contract shall be effective for the period beginning March 1, 2007, and ending on February 29, 2012. The Contractor hereby acknowledges and affirms that the State shall have no obligation for services rendered by the Contractor which were not performed within this specified contract period.

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

   C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed Fourteen Million Seven Hundred Thousand Dollars and No Cents ($14,700,000.00). The payment rates in section C.3 shall constitute the entire compensation due the Contractor for all service and Contractor obligations hereunder regardless of the difficulty, materials or equipment required. The payment rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

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

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

   C.3. Payment Methodology. The Contractor shall be compensated based on the Payment Rates herein for units of service authorized by the State in a total amount not to exceed the Contract Maximum Liability established in Section C.1.

   a. The Contractor's compensation shall be contingent upon the satisfactory completion of units, milestones, or increments of service defined in Section A.

   b. The Contractor shall be compensated for said units, milestones, or increments of service based upon the following payment rates:

	Contract Year 1 Monthly Rate	Contract Year 2 Monthly Rate	Contract Year 3 Monthly Rate	Contract Year 4 Monthly Rate	Contract Year 5 Monthly Rate
% of Prior Month Disbursed Collections*	9.70	8.00	7.80	7.75	7.50

*Collections as calculated for the annual OCSE-157 report, and represented on the Monthly Performance Measures Report provided to each Tennessee Judicial District.

c. The Contractor shall not be compensated for travel time to the primary location of service provision.

The revisions set forth herein shall be effective on the date of final approval by the appropriate State officials in accordance with applicable Tennessee State laws and regulations. All other terms and conditions not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF,

YOUNGWILLIAMS, P.C.:

ROBERT L. WELLS, PRESIDENT **DATE**

DEPARTMENT OF HUMAN SERVICES:

VIRGINIA T. LODGE, COMMISSIONER **DATE**

GENERAL ASSEMBLY OF THE STATE OF TENNESSEE
FISCAL REVIEW COMMITTEE

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

Sen. Bill Ketron, Chairman
Senators
Douglas Henry — Reginald Tate
Doug Jackson — Ken Yager
Randy McNally, *ex officio*
Lt. Governor Ron Ramsey, *ex officio*

Rep. Charles Curtiss, Vice-Chairman
Representatives
Harry Brooks — Donna Rowland
Curtis Johnson — Tony Shipley
Steve McManus — Curry Todd
Mary Pruitt — Eddie Yokley
Craig Fitzhugh, *ex officio*
Speaker Kent Williams, *ex officio*

MEMORANDUM

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

FROM: Bill Ketron, Chairman, Fiscal Review Committee BK
Charles Curtiss, Vice-Chairman, Fiscal Review Committee CC

DATE: December 16, 2009

SUBJECT: **Contract Comments**
(Fiscal Review Committee Meeting 12/15/09)

RFS# 345.13-77707
Department: Human Services/Child Support Services
Contractor: Young Williams, P.C.
Summary: The vendor currently provides for the establishment and maintenance of a child support enforcement program for the Sixth Judicial District (Knox County). The proposed amendment extends the current contract for an additional year and increases the maximum liability by $3,270,000.
Maximum liability: $9,600,000
Maximum liability w/amendment: $12,870,000

After review, the Fiscal Review Committee voted to recommend approval of the contract amendment with the stipulation that *Voluntary Buyout Program* language be added to the contract.

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

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

RECEIVED
DEC 03 2009
FISCAL REVIEW

December 3, 2009

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:

In light of the current economic conditions and the revenue shortfall that Tennessee is facing, the Department of Human Services has sought to identify methods by which we can reduce costs, while minimizing any negative impact to the clients we serve. The accompanying *Request: Non-Competitive Amendment* form outlines one such method we have identified.

The subject contract with YoungWilliams, P.C. is for the provision of child support enforcement services in the 6th Judicial District (Knox County). This amendment seeks to extend the contract for a fourth year, an option included in the original RFP when the competitive procurement was conducted and the contract awarded in Fiscal Year 2007. Such contract extension was originally designed to limit payment rates to the contractor in excess of those presently being paid in year three of the contract. Extending the term of the existing contract is in the best interest of the State. Since recent competitively-awarded contracts for the same service have yielded cost bids higher than those obtained prior to the economic downturn, re-bidding at this time puts the state at financial risk. The Department proposes to follow a similar cost-benefit analysis to determine if a fifth and final extension should be executed in 2011.

In addition to the actual text of the non–competitive amendment #1 with its corresponding *Contract Summary Sheet*, we have provided a copy of the base contract with its corresponding *Contract Summary Sheet*, a *Non-competitive Amendment Request* form, and the supplemental documentation that is required by the FRC.

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
Commissioner

VTL:DTG

Attachments

Supplemental Documentation Required for Fiscal Review Committee

*Contact Name:	Jeff Roberts	*Contact Phone:	(615) 313-4705
*Original Contract Number:	FA 07-17142	*Original RFS Number:	345.13-777-07
Edison Contract Number: *(if applicable)*	16496	Edison RFS Number: *(if applicable)*	N/A
*Original Contract Begin Date:	March 1, 2007	*Current End Date:	February 28, 2010

Current Request Amendment Number: *(if applicable)*	One
Proposed Amendment Effective Date: *(if applicable)*	March 1, 2010
*Department Submitting:	Department of Human Services
*Division:	Child Support Services
*Date Submitted:	December 3, 2009
*Submitted Within Sixty (60) days:	Yes
If not, explain:	
*Contract Vendor Name:	YoungWilliams, P.C.
*Current Maximum Liability:	$9,600,000

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

FY: 2007	FY: 2008	FY: 2009	FY: 2010	FY	FY
$1,133,333	$3,300,000	$3,100,000	$2,066,667	$	$

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

FY: 2007	FY: 2008	FY: 2009	FY: 2010	FY	FY
$1,133,333	$3,113,322	$2,733,112	$394,432 YTD	$	$

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

*Contract	State:		Federal:	

Supplemental Documentation Required for Fiscal Review Committee

Funding Source/Amount:				
Interdepartmental:			*Other*:	
If "*other*" please define:				

Dates of All Previous Amendments or Revisions: (*if applicable*)	Brief Description of Actions in Previous Amendments or Revisions: (*if applicable*)
N/A	

Method of Original Award: (*if applicable*)	Request for Proposals
*What were the projected costs of the service for the entire term of the contract prior to contract award?	$16,100,000

Supplemental Documentation Required for Fiscal Review Committee

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.

If it is determined that the question is not applicable to your contract document attach detailed explanation as to why that determination was made.

Planned expenditures by fiscal year by deliverable. Add rows as necessary to indicate all estimated contract expenditures.

Deliverable description:	FY: 2010	FY: 2011	FY:	FY:	FY:
Child supp. enforcement	$3,156,667	$2,180,000			

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.

Deliverable description:	FY: 2010	FY: 2011	FY:	FY:	FY:
Child supp. enforcement	$159,140	$318,280			

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.

Proposed Vendor Cost: (name of vendor)	FY: 2010	FY: 2011	FY:	FY:	FY:
YoungWilliams	$1,090,000	$2,180,000			
Other Vendor Cost: (name of vendor)	FY:	FY:	FY:	FY:	FY:
Based on RFP	$3,315,807	$2,498,280			
Other Vendor Cost: (name of vendor)	FY:	FY:	FY:	FY:	FY:

FY 2007

BDEPT	BDATE	T	NO	SEQ	EFFDATE	FFY	DMI	TC	CC	DEPT	FDD	OBJ	GRANT	VENDOR	REFDOC	WARRANT	AMOUNT	DESCRIPTIO	VENDORNAME	ADDR1	CITY	STATE	ZZIP	PDATE
34501	070508	D	550	00005	070508	07	7	103	101	34513	1100	083	490001	V64084700900	FA0717142	4287783	$343,394.35	CHILD SUPPORT ENFORCEMENT SERVICES 3/07	YOUNG WILLIAMS P.C.	210 E CAPITOL ST #2000	JACKSON	MS	39201	070509
34501	070517	D	552	00004	070517	07	7	103	101	34513	1100	083	490001	V64084700900	FA0717142	4315727	$271,446.59	CHILD SUPPORT ENFORCEMENT SERVICES 04/07	YOUNG WILLIAMS P.C.	210 E CAPITOL ST #2000	JACKSON	MS	39201	070518
34501	070625	D	550	00005	070625	07	7	103	101	34513	1100	083	490001	V64084700900	FA0717142	4405748	$290,269.34	CHILD SUPPORT ENFORCEMENT SERVICE 05/07	YOUNG WILLIAMS P.C.	210 E CAPITOL ST #2000	JACKSON	MS	39201	070627
34501	070724	G	005	00018	070630	07	0	450	101	34513	1100	083	490001	V64084700900	FA0717142		$228,222.72		YOUNG WILLIAMS P.C.	210 E CAPITOL ST #2000	JACKSON	MS	39201	070807
																	$1,133,333.00							

FY 2008

BDEPT	BDATE	T	NO	SEQ	EFFDATE	FFY	DMI	TC	CC	DEPT	FDD	OBJ	GRANT	VENDOR	REFDOC	WARRANT	AMOUNT	DESCRIPTIO	VENDORNAME	ADDR1	CITY	STATE	ZZIP	PDATE
34501	070821	D	551	00004	070821	08	7	103	101	34513	1100	083	490001	V64084700900	FA0717142	4533856	$256,829.07	CHILD SUPPORT ENFORCEMENT SERVICES 07/07	YOUNG WILLIAMS P.C.	210 E CAPITOL ST #2000	JACKSON	MS	39201	070822
34501	070828	D	551	00004	070828	08	7	103	101	34513	1100	083	490001	V64084700900	FA0717142	4550700	$45,036.58	CHILD SUPPORT ENFORCEMENT SERVICES 07/07	YOUNG WILLIAMS P.C.	210 E CAPITOL ST #2000	JACKSON	MS	39201	070829
34501	071002	D	550	00004	071002	08	7	103	101	34513	1100	083	495001	V64084700900	FA0717142	4635728	$267,167.91	CHILD SUPPORT ENFORCEMENT SVCS 08/07	YOUNG WILLIAMS P.C.	210 E CAPITOL ST #2000	JACKSON	MS	39201	071003
34501	071029	D	551	00004	071029	08	7	103	101	34513	1100	083	495001	V64084700900	FA0717142	4707243	$240,164.13	CHILD SUPPORT ENFORCEMENT SERVICES 9/07	YOUNG WILLIAMS P.C.	210 E CAPITOL ST #2000	JACKSON	MS	39201	071031
34501	071127	D	552	00002	071127	08	7	103	101	34513	1100	083	495001	V64084700900	FA0717142	4765759	$274,017.17	C.S. ENFORCEMENT SERVICES 10/07	YOUNG WILLIAMS P.C.	210 E CAPITOL ST #2000	JACKSON	MS	39201	071128
34501	080104	D	552	00004	080104	08	7	103	101	34513	1100	083	495001	V64084700900	FA0717142	4857453	$247,990.20	C.S. ENFORCEMENT SERVICES 11/07	YOUNG WILLIAMS P.C.	210 E CAPITOL ST #2000	JACKSON	MS	39201	080107
34501	080129	D	552	00002	080129	08	7	103	101	34513	1100	083	495001	V64084700900	FA0717142	4923071	$252,637.63	C.S. ENFORCEMENT SERVICES 12/07	YOUNG WILLIAMS P.C.	210 E CAPITOL ST #2000	JACKSON	MS	39201	080131
34501	080221	D	550	00016	080221	08	7	103	101	34513	1100	083	495001	V64084700900	FA0717142	4974445	$269,143.41	CHILD SUPPORT ENFORCEMENT SERVICE 01/08	YOUNG WILLIAMS P.C.	210 E CAPITOL ST #2000	JACKSON	MS	39201	080222
34501	080318	D	550	00003	080318	08	7	103	101	34513	1100	083	495001	V64084700900	FA0717142	5043028	$243,541.87	C.S. ENFORCEMENT SERVICE 02/08	YOUNG WILLIAMS P.C.	210 E CAPITOL ST #2000	JACKSON	MS	39201	080320
34501	080507	D	550	00009	080507	08	7	103	101	34513	1100	083	495001	V64084700900	FA0717142	5165650	$261,377.15	C.S. ENFORCEMENT SERVICES 03/08	YOUNG WILLIAMS P.C.	210 E CAPITOL ST #2000	JACKSON	MS	39201	080508
34501	080520	D	551	00007	080520	08	7	103	101	34513	1100	083	495001	V64084700900	FA0717142	5204913	$250,241.11	C.S. ENFORCEMENT SERVICES 04/08	YOUNG WILLIAMS P.C.	210 E CAPITOL ST #2000	JACKSON	MS	39201	080523
34501	080624	D	550	00004	080624	08	7	103	101	34513	1100	083	495001	V64084700900	FA0717142	5289578	$261,762.80	CHILD SUPPORT ENFORCEMENT SVCS 05/08	YOUNG WILLIAMS P.C.	210 E CAPITOL ST #2000	JACKSON	MS	39201	080630
34501	080728	G	008	00011	080630	08	0	264	101	34513	1100	083	495001		FA0717142		$243,412.62							080801
																	$3,113,321.65							

FY 2009

BDEPT	BDATE	T	NO	SEQ	EFFDATE	FFY	DMI	TC	CC	DEPT	FDD	OBJ	GRANT	VENDOR	REFDOC	WARRANT	AMOUNT	DESCRIPTIO	VENDORNAME	ADDR1	CITY	STATE	ZZIP	PDATE
34501	080728	G	009	00011	080731	09	0	442	101	34513	1100	083	495001		FA0717142		($243,412.62)							080801
34501	080811	D	551	00001	080811	09	7	103	101	34513	1100	083	495001	V64084700900	FA0717142	5394424	$243,412.62	CHILD SUPPORT ENFORCEMENT 06/08	YOUNG WILLIAMS P.C.	210 E CAPITOL ST #2000	JACKSON	MS	39201	080820
34501	080910	D	551	00004	080910	09	7	103	101	34513	1100	083	495001	V64084700900	FA0717142	5444251	$251,802.54	C.S. ENFORCEMENT SERVICES 07/08	YOUNG WILLIAMS P.C.	210 E CAPITOL ST #2000	JACKSON	MS	39201	080912
34501	080919	D	551	00003	080919	09	7	103	101	34513	1100	083	495001	V64084700900	FA0717142	5465780	$240,172.20	C.S. ENFORCEMENT SERVICES 08/08	YOUNG WILLIAMS P.C.	210 E CAPITOL ST #2000	JACKSON	MS	39201	080924
34501	081016	D	551	00007	081016	09	7	103	101	34513	1100	083	500001	V64084700900	FA0717142	5521975	$207,712.45	CHILD SUPPORT ENFORCEMENT SVCS 09/08	YOUNG WILLIAMS P.C.	210 E CAPITOL ST #2000	JACKSON	MS	39201	081021
34501	081121	D	550	00005	081121	09	7	103	101	34513	1100	083	500001	V64084700900	FA0717142	5591638	$217,218.35	C.S. ENFORCEMENT SERVICES 10/08	YOUNG WILLIAMS P.C.	210 E CAPITOL ST #2000	JACKSON	MS	39201	081124
34501	081231	D	552	00001	081231	09	7	103	101	34513	1100	083	500001	V64084700900	FA0717142	5667201	$191,575.45	C.S. ENFORCEMENT SERVICES 11/08	YOUNG WILLIAMS P.C.	210 E CAPITOL ST #2000	JACKSON	MS	39201	090105
34501	090122	D	550	00006	090122	09	7	103	101	34513	1100	083	500001	V64084700900	FA0717142	5701845	$226,054.07	CHILD SUPPORT ENFORCEMENT 12/08	YOUNG WILLIAMS P.C.	210 E CAPITOL ST #2000	JACKSON	MS	39201	090126
34501	090219	D	550	00004	090219	09	7	103	101	34513	1100	083	500001	V64084700900	FA0717142	5754376	$217,793.16	CHILD SUPPORT ENFORCEMENT SERVICE 01/09	YOUNG WILLIAMS P.C.	210 E CAPITOL ST #2000	JACKSON	MS	39201	090220
34501	090312	D	551	00008	090312	09	7	103	101	34513	1100	083	500001	V64084700900	FA0717142	5799619	$198,788.78	C.S. ENFORCEMENT SERVICES 02/09	YOUNG WILLIAMS P.C.	210 E CAPITOL ST #2000	JACKSON	MS	39201	090313
34501	090420	D	551	00008	090420	09	7	103	101	34513	1100	089	500001	V64084700900	FA0717142	5870991	$257,103.97	CHILD SUPPORT ENFORCEMENT 03/09	YOUNG WILLIAMS P.C.	210 E CAPITOL ST #2000	JACKSON	MS	39201	090422
34501	090519	D	550	00009	090519	09	7	103	101	34513	1100	089	500001	V64084700900	FA0717142	5916215	$228,116.33	CHILD SUPPORT ENFORCEMENT SERVICES 04/09	YOUNG WILLIAMS P.C.	210 E CAPITOL ST #2000	JACKSON	MS	39201	090520
34501	090622	D	553	00012	090622	09	7	103	101	34513	1100	089	500001	V64084700900	FA0717142	5974012	$265,766.82	CHILD SUPPORT ENFORCEMENT SVCS 05/09	YOUNG WILLIAMS P.C.	210 E CAPITOL ST #2000	JACKSON	MS	39201	090626
34501	090727	G	006	00010	090630	09	0	264	101	34513	1100	083	500001		FA0717142		$231,008.18							090729
																	$2,733,112.30							

FY 2010

BDEPT	BDATE	T	NO	SEQ	EFFDATE	FFY	DMI	TC	CC	DEPT	FDD	OBJ	GRANT	VENDOR	REFDOC	WARRANT	AMOUNT	DESCRIPTIO	VENDORNAME	ADDR1	CITY	STATE	ZZIP	PDATE
34501	090727	G	004	00010	090731	10	0	442	101	34513	1100	083	500001		FA0717142		($231,008.18)							090729
34501	090814	D	550	00002	090814	10	7	103	101	34513	1100	083	500001	V64084700901	FA0717142	6035932	$231,008.18	CHILD SUPPORT EXPENDITURE 06/09	YOUNG WILLIAMS PC	PO BOX 23458	JACKSON	MS	39225	090817
34501	090824	D	551	00001	090824	10	7	103	101	34513	1100	083	500001	V64084700901	FA0717142	6046398	$200,491.98	CHILD SUPPORT ENFORCEMENT SERVICES 07/09	YOUNG WILLIAMS PC	PO BOX 23458	JACKSON	MS	39225	090825
																	$200,491.98							

NON-COMPETITIVE AMENDMENT REQUEST:

APPROVED	RECEIVED DEC 03 2009 FISCAL REVIEW
Commissioner of Finance & Administration	

1) **RFS #**	34513-01410
2) **Procuring Agency :**	Department of Human Services
EXISTING CONTRACT INFORMATON	
3) **Service Caption :**	Child Support Services; 6th Judicial District
4) **Contractor :**	YoungWilliams, P.C.
5) **Contract #**	FA 07-17142
6) **Contract Start Date :**	March 1, 2007
7) **CURRENT Contract End Date :** (if ALL options to extend the contract are exercised)	February 28, 2012
8) **CURRENT Maximum Cost :** (if ALL options to extend the contract are exercised)	$16,087,500.00
PROPOSED AMENDMENT INFORMATON	
9) **Amendment #**	One
10) **Amendment Effective Date :** (attached explanation required if < 60 days after F&A receipt)	March 1, 2010
11) **PROPOSED Contract End Date :** (if ALL options to extend the contract are exercised)	February 28, 2012
12) **PROPOSED Maximum Cost :** (if ALL options to extend the contract are exercised)	$16,087,500.00
13) **Approval Criteria :** (select one)	☒ **use of Non-Competitive Negotiation is in the best interest of the state**
	☐ **only one uniquely qualified service provider able to provide the service**

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

The effect of the proposed amendment is to extend the term of the contract for a fourth year, starting on March 1, 2010, and ending on February 28, 2011. The services to be provided by the contractor during the term extension will be identical to those provided presently.

15) Explanation of Need for the Proposed Amendment :

As stated in the response to #14 above, this amendment will extend the term of the current contract. When the services were initially procured, a fourth and fifth contract years were contemplated.

16) Name & Address of Contractor's Current Principal Owner(s) : (not required for a TN state education institution)

Robert Wells, President
YoungWilliams, P.C.
210 E. Capitol Street; Suite 2000
Jackson, MS 39201

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 :

At the present time, private vendors are under contract to provide child support services in nine of the state's thirty-one judicial districts. These contracts were awarded at various times, each pursuant to a competitive process. Since the payment rates for each of these contracts are based on child support collections in the judicial district in which services are provided, and child support collections have dropped primarily due to child support payors' job losses, profitability for these contractors have been adversely impacted. As a result, competitive bid solicitations completed recently for these services have yielded cost offers that are somewhat higher than those for competitive procurements completed prior to the economic downturn. Therefore, this evidence confirms that a competitive procurement alternative to this non-competitive amendment is unlikely to yield lower payment rates; in fact, it is likely that a current competitive procurement would result in higher payment rates for the successful bidder.

21) Justification for the Proposed Non-Competitive Amendment :

As stated in #15, a contract term of five years' duration was contemplated at the time that the request for proposals, which ultimately resulted in this contract, was made. The payment methodology section of the contract states that the payment rates for years four and five of the contract "shall be negotiated based upon a monthly rate that is less than or equal to the monthly rate proposed for contract year three." If the services were to be competitively procured in the economic climate that exists presently, it is highly unlikely that more favorable rates would be achieved. Therefore, it is in the best interest of the state to extend the term of the present contract via non-competitive amendment.

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

12-2-09
Date

CONTRACT AMENDMENT

Agency Tracking #	Edison ID	Contract #	Amendment #
34513-77707	0000000000000016496	FA-07-17142	1

Contractor
YoungWilliams, P.C.

Contractor Federal Employer Identification or Social Security #
☐ C- or ☒ V- 640847009-00

Amendment Purpose/ Effects
CONTRACT TERM EXTENSION

Contract Begin Date	Contract End Date	Subrecipient or Vendor	CFDA #(s)
March 1, 2007	February 28, 2011	☐ Subrecipient ☒ Vendor	93.563

FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2007	$385,333.00	$748,000.00			$1,133,333.00
2008	$1,122,000.00	$2,178,000.00			$3,300,000.00
2009	$1,054,000.00	$2,046,000.00			$3,100,000.00
2010	$1,073,267.00	$2,083,400.00			$3,156,667.00
2011	$741,200.00	$1,438,800.00			$2,180,000.00
TOTAL:	$4,375,800.00	$8,494,200.00			**$12,870,000.00**

American Recovery and Reinvestment Act (ARRA) Funding – ☐ YES ☒ NO

— COMPLETE FOR AMENDMENTS —

END DATE AMENDED? ☒ YES ☐ NO

FY	Base Contract & Prior Amendments	THIS Amendment ONLY
2007	$1,133,333.00	
2008	$3,330,000.00	
2009	$3,100,000.00	
2010	$2,066,667.00	$1,090,000.00
2011	0.00	$2,180,000.00
TOTAL:	**$9,600,000.00**	**$3,270,000.00**

Agency Contact & Telephone #
Pam Trautman 615-313-5327

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)
Jeffrey W. Roberts

Speed Code	Account Code
HS00000229	70803000

Procurement Process Summary (non-competitive, FA- or ED-type only)
This contract was competitively awarded pursuant to RFP # 345.13-777.

F&A Secured Document
FA0717142-01

AMENDMENT ONE
TO FA 07-17142

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 YoungWilliams, P.C., hereinafter referred to as the "Contractor." It is mutually understood and agreed by and between said, undersigned contracting parties that the subject Contract is hereby amended as follows:

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

   B.1. Contract Term. This Contract shall be effective for the period commencing on March 1, 2007 and ending on February 28, 2011. The State shall have no obligation for services rendered by the Contractor which are not performed within the specified period.

1/19/10

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

   C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed Twelve Million Eight Hundred Seventy Thousand Dollars and No Cents ($12,870,000.00). The Payment Rates in Section C.3 shall constitute the entire compensation due the Contractor for the Service and all of the Contractor's obligations hereunder regardless of the difficulty, materials or equipment required. The Payment Rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

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

1-18-10

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

   C.3. Payment Methodology. The Contractor shall be compensated based on the Payment Rates herein for units of service authorized by the State in a total amount not to exceed the Contract Maximum Liability established in Section C.1. The Contractor shall be compensated based upon the following Payment Rates:

	Contract Year 1 Monthly Rate	Contract Year 2 Monthly Rate	Contract Year 3 Monthly Rate	Contract Year 4 Monthly Rate	**Contract Year 5 Monthly Rate
% of Prior Month Disbursed Collections*	9.70	8.00	7.80	7.76	TBN

*Collections as calculated for the annual OCSE-157 report, and represented on the Monthly Performance Measures Report provided to each Tennessee Judicial District.

The Cost Table above IS NOT a guarantee or commitment to the Contractor that this Contract has a term of five (5) years. Section B.2 of this Contract allows the State to extend this Contract in one (1) year increments up to five (5) years. **The remaining Contract Year is included in the event that the State of Tennessee chooses to extend this Contract up to the maximum term of five (5) years.

The compensation for **Contract Year 5** shall be negotiated based upon a Monthly Rate that is less than or equal to the Monthly Rate proposed for Contract Year 3.

The Contractor shall not be compensated for travel time to the primary location of service provision.

4. The following provision is added as Contract Section E.25.:

E.25. Voluntary Buyout Program. The Contractor acknowledges and understands that, for a period of two years beginning August 16, 2008, restrictions are imposed on former state employees who received a State of Tennessee Voluntary Buyout Program (VBP) severance payment with regard to contracts with state agencies that participated in the VBP.

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

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

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

The revisions set forth herein shall be effective on the date of final approval by the appropriate State officials in accordance with applicable Tennessee State laws and regulations. All other terms and conditions not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF,

YOUNGWILLIAMS, P.C.:

1/11/10

ROBERT L. WELLS, PRESIDENT **DATE**

DEPARTMENT OF HUMAN SERVICES:

1-14-10

VIRGINIA T. LODGE, COMMISSIONER **DATE**

CONTRACT SUMMARY SHEET

060706

RFS #	Contract #
345.13-777	FA-07-17142-00

State Agency	State Agency Division
DEPARTMENT OF HUMAN SERVICES	CHILD SUPPORT

Contractor Name	Contractor ID # (FEIN or SSN)
YOUNGWILLIAMS, P.C.	☐ C- or ☒ V- V640847009-00

Service Description

CHILD SUPPORT ENFORCEMENT

Contract Begin Date	Contract End Date	SUBRECIPIENT or VENDOR?	CFDA #
March 01, 2007	February 28, 2010	VENDOR	93.563

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
345.13	101	083	11	490	001

FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2007	$385,333.00	$748,000.00	$0.00	$0.00	$1,133,333.00
2008	$1,122,000.00	$2,178,000.00	$0.00	$0.00	$3,300,000.00
2009	$1,054,000.00	$2,046,000.00	$0.00	$0.00	$3,100,000.00
2010	$702,667.00	$1,364,000.00	$0.00	$0.00	$2,066,667.00
TOTAL:	$3,264,000.00	$6,336,000.00	$0.00	$0.00	$9,600,000.00

— COMPLETE FOR AMENDMENTS ONLY —

FY	Base Contract & Prior Amendments	THIS Amendment ONLY
TOTAL:	$0.00	$0.00
End Date:		

State Agency Fiscal Contact & Telephone #

Candie Vaughan
400 Deaderick Street, Citizens Plaza Building - 6th Floor, Nashville, TN 37248
(615) 742-4447

State Agency Budget Officer Approval

Jeffrey W. Roberts December 7, 2006

Funding Certification (certification, required by T.C.A., § 9-4-5113, that there is a balance in the appropriation from which the obligated expenditure is required to be paid that is not otherwise encumbered to pay obligations previously incurred)

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

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

Enter Procurement Summary Information Here

RECEIVED
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COMPTROLLER'S OFFICE
OFFICE OF
MANAGEMENT SERVICES

CONTRACT
BETWEEN THE STATE OF TENNESSEE,
Department of Human Services
AND
YoungWilliams P.C.

This Contract, by and between the State of Tennessee, Department of Human Services, hereinafter referred to as the "State" and YoungWilliams P.C., hereinafter referred to as the "Contractor," is for the provision of child support enforcement services in Tennessee's 6th Judicial District (Knox County in East Tennessee), as further defined in the "SCOPE OF SERVICES."

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

210 E. Capitol Street
Suite 2000
Jackson, MS 39201

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

A. SCOPE OF SERVICES:

A.1. The Contractor shall establish and maintain a child support enforcement program in the 6th Judicial District of Tennessee which complies fully with the provisions of Title IV-D of the Social Security Act, 42 U.S.C. 651 et seq. as amended, Title 45 of the Code of Federal Regulations (C.F.R.), state law and regulations, and Child Support program policy and program directives. The Contractor shall be responsible and accountable for the proper operation of the enforcement program.

A.2. Legal Representation. Legal counsel licensed in the State of Tennessee employed or retained by the Contractor shall attend and represent the State in each Judicial hearing involving the Title IV-D Child Support program, including judicial review by any Tennessee court of any type of administrative action taken by the Department of Human Services involving the Title IV-D Child Support program; provided, however, such counsel shall not represent the State in appellate court appeals or reviews of any such hearings or actions in the Tennessee Court of Appeals or in the Tennessee Supreme Court. Such legal counsel shall represent the State in federal bankruptcy court in actions involving the Title IV-D Child Support program, but shall not otherwise represent the State in any other actions involving the Title IV-D Child Support program arising in other federal trial or administrative tribunals or in any federal appellate courts, unless otherwise directed in the policies and procedures of the Department of Human Services' Child Support program or as otherwise specifically directed by the Office of General Counsel of the Department of Human Services or by the Tennessee Attorney General and Reporter.

Legal counsel licensed in the State of Tennessee employed or retained by the Contractor shall also attend and represent the State in all Administrative Hearings/Appeals involving the Title IV-D Child Support Program. Legal counsel is not generally required to attend Administrative Hearings/Appeals where the issues are limited to balance or distribution issues when no party is represented by legal counsel, unless otherwise stated in the policies and procedures of the Department of Human Services' Child Support program or as otherwise directed by the Office of General Counsel of the Department of Human Services or by the Office of the Attorney General and Reporter. Attorneys employed by the Contractor for the provision of legal services required by this Contract are subject, at all times, to the approval of the State and the Office of the Attorney General and Reporter.

Legal counsel employed or retained by the Contractor shall take such actions to represent and vigorously advocate the interests of the State of Tennessee, the Department of Human Services and the Title IV-D Child Support program as may be directed by the Office of General Counsel of the Department of Human Services, or by the Office of the Tennessee Attorney General and Reporter, consistent with the Code of Professional Responsibility and the laws of Tennessee, and, as may be required by the procedures and policies of the Department of Human Services' Title IV-D Child Support program.

A.2.a. The Contractor agrees to bring all court actions in the name of the State and the person receiving IV-D services, and to notify the State and/or Attorney General in a timely fashion of any judicial or administrative decision or settlement offers or agreements which may adversely affect the State's interest. Furthermore, the Contractor agrees not to enter into any settlement which may result in the loss of State revenue.

A.2.b. The Contractor shall maintain and furnish to the State a listing of all legal counsel employed or retained through a subcontractual relationship to represent the State in matters related to this Contract. Such listing shall include complete names of such individuals, addresses, direct telephone numbers, and State-issued bar numbers. This information shall be provided to the Department of Human Services' Office of General Counsel and to the General Civil Division of the State Attorney General's Office, with updates to such listing provided within ten (10) working days of employment or reassignments of counsel.

A.3. The Contractor shall utilize all Administrative Orders made available by the State IV-D agency for enforcement purposes.

A.4. The Contractor shall ensure that the following services are available and provided in a timely manner for all applicable Title IV-D cases:

A.4.a. **CASE INITIATION:** Activities associated with initial child support case opening activities, including providing and accepting applications for service from a custodial or non-custodial parent or other designated caretaker of the child(ren), collection of necessary case information on the State computer system (Tennessee Child Support Enforcement System [TCSES]), and providing the IV-D case or member number to the Clerk of Court when necessary. The following intake performance standards must be met:

A.4.a.i. A IV-D application must be provided on the day it is requested, if requested in person, or within five (5) working days if requested by phone or mail. A copy of the Tennessee Child Support Handbook, with any currently applicable supplements or inserts, must be provided with the application.

A.4.a.ii. Within twenty (20) calendar days of receiving a referral or application for services, an assessment of the case must be completed, to include solicitation of necessary information from the applicant, initiation of verifications, and if necessary, initiation of activities designed to locate a parent ("Location Activities").

A.4.b. **ESTABLISHING LEGAL OBLIGATION FOR FINANCIAL AND MEDICAL SUPPORT:**

A.4.b.i. **Use of Legal and Administrative Remedies, Establishment of Paternity, Use of and Payment for Genetic Testing.**

The Contractor shall be responsible for the timely use of appropriate legal remedies, including the Administrative order processes provided for in Federal and State law, to secure orders of paternity and support after successful Location Activities. Paternity determination may be achieved through Agreed Orders, contested court action, or a voluntary acknowledgment. In any contested action, a request for genetic testing shall be filed with the appropriate tribunal. If the IV-D agency has paid the initial costs of the genetic testing and the alleged father is determined to be the legal father, the court must be petitioned to reassess the costs of the genetic testing against the defendant father.

A.4.b.ii. **Use of Child Support Guidelines, Form of Order, Use of Income Withholding.**

In establishing a legal obligation to support, the Contractor must petition for support in accordance with the State child support award guidelines in Chapter 1240-2-4 of the Department's rules. The petition must specify the amount of child support, expressed in a specific dollar amount, due per month, including any arrearages. Petitions must also include language requesting the immediate use of income withholding on all new support orders for all assignable income which is currently, or later becomes, available.

A.4.b.iii. **Establishment of Medical Support.**

The Contractor shall petition the court to establish a legal obligation for the medical support of the child in the form of health insurance in every Temporary Assistance to Needy Families (TANF), Medicaid/TennCare, and Foster Care case if the child does not have medical insurance, other than Medicaid/TennCare, and in all Non-TANF cases. The

petition shall include a request that, in the event the Court finds that health insurance is not available at reasonable cost, the court order that such insurance be obtained for the child when and if it becomes available. The Contractor shall comply with amendments to medical support enforcement, effective July 1, 2002, as required by 42 U.S.C. §666 (a) (19), 45 C.F.R., part 303, Tennessee Code Annotated, Sections 36-5- 501 and 36-5- 503, and State policy regarding the establishment of medical support for children. Unless a Court or Administrative order allows health care coverage for a child subject to a child support order by a method other than employer-based health care coverage, the Contractor must, pursuant to 42 U.S.C. §666 and 45 C.F.R., part-303, use the mandatory National Medical Support Notice, promulgated by the Federal Office of Child Support Enforcement to inform the non-custodial parent's employer of the provision in the order for health care coverage.

A.4.c. **TIMEFRAMES APPLICABLE TO ESTABLISHING ORDERS ARE:**

A.4.c.i. **Service of Process.**

Service of process must be issued within fifteen (15) calendar days of locating the non-custodial parent. Service must be completed within ninety (90) calendar days of location of the non-custodial parent or, if service is unsuccessful, the attempts to serve must be documented and process shall be issued as appropriate.

A.4.c.ii. **Paternity Establishment.**

Paternity must be established within six (6) months in seventy-five percent (75%) of the caseload and within twelve (12) months in ninety percent (90%) of the caseload following successful service of process.

A.4.c.iii. **Establishment of Support Order.**

A support order must be established within ninety (90) calendar days of locating the non-custodial parent when service of process is not necessary. If service is necessary, the non-custodial parent must be served with process by the ninetieth (90) day or unsuccessful attempts to serve process must be documented. In those cases where the non-custodial parent is served with process, court orders must be established in seventy-five percent (75%) of the cases within six (6) months and ninety percent (90%) within twelve (12) months.

A.4.c.iv. **LOCATION ACTIVITIES**: The verification of a residence or employer address where the non-custodial parent may be served. The Contractor shall establish and utilize local resources for locating parents, as well as utilize parent location resources provided by the State. Such location efforts include assisting the State in locating non-custodial parents for other jurisdictions. The following timeframes for Location Activities must be met:

A.4.c.iv.(a) Within seventy-five (75) calendar days of determining that location is necessary, all appropriate location services must be utilized, including referral to the Federal Parent Locator Service (FPLS).

A.4.c.iv.(b) When Location Activities have been unsuccessful, efforts must be repeated quarterly or when new location information is received, whichever comes first. Quarterly attempts may be limited to automated resources but must include accessing State Employment Security files via the Tennessee Clearinghouse System.

A.4.d. **ENFORCEMENT OF SUPPORT ORDERS:**

A.4.d.i. The Contractor shall timely use appropriate legal remedies, including those administrative processes provided for in Federal and State law, to enforce all orders of support. The orders to be enforced shall include, but are not limited to, the enforcement of spousal support when it is contained in the same order with child support, and the child who is due the child support continues to reside with the parent due the spousal support; medical support if the order specifies a dollar amount to be paid for medical support; or orders the provision of health insurance coverage.

A.4.d.ii. Enforcement remedies to be utilized shall include, but shall not be limited to:

(a) immediate income withholding on all new and modified orders as well as

cases with a delinquency or arrears except as may otherwise be allowed under Tennessee Code Annotated, Section 36-5-501(a)(2);

(b) sending the federal medical support notice established under 42 U.S.C. § 666(a)(19) to any employer to provide notice to the employer of the requirement for employer-based health care coverage for such child through the child's parent who has been ordered to provide health care coverage for such child;

(c) contempt proceedings;

(d) establishment and enforcement of liens against real or personal property and attachment and liquidation of assets;

(e) issuance of administrative seizure orders;

(f) execution on judgements, including the use of garnishment;

(g) requirement of bonds to secure support;

(h) utilization of the IRS full collection service;

(i) extradition;

(j) use of the federal court system; and

(k) adherence to the guidelines established for the Treasury Offset Program for federal funds owed to child support obligors.

A.4.e. **ENFORCEMENT ACTION IS TO BE TAKEN WITHIN THE FOLLOWING TIMEFRAMES:**

A.4.e.i. If for any reason an immediate income assignment was not issued previously on any order, due to an agreement between the parties as contained in the court order, or for other reasons permitted under Tennessee Code Annotated §36-5-501(a)(2), then, in cases with sufficient information for issuance of an income assignment order, such assignment shall be issued immediately if the full amount of support due in a month is not paid by the date upon which the ordered support is due.

A.4.e.ii. When immediate issuance of an Income Assignment order is not possible due to lack of information regarding employment, enforcement action must be taken, unless service of process is necessary, within thirty (30) calendar days of identifying the delinquency or arrears, or locating the non-custodial parent.

A.4.e.iii. When service of process is necessary, service must be completed (or unsuccessful attempts to serve process must be documented) and enforcement action taken within sixty (60) calendar days of identifying the delinquency or arrears, or the location of the non-custodial parent.

A.4.f. **REVIEW AND MODIFICATION OF ORDERS:**

The Contractor shall use appropriate administrative and/or judicial proceedings to review, and if appropriate, adjust, the support order amount, and shall petition the appropriate court or tribunal for such changes in accordance with Federal and State law and regulations and State program policy. All petitions for modification of orders shall include a request for income withholding if not already so ordered.

A.5. **Compliance with Program Policy**. The Contractor agrees to comply with all requirements set forth in the Child Support Services Manual and policy updates to the manual, copies of which will be supplied to the Contractor, and the terms of which are incorporated by reference.

A.6. **PERFORMANCE MEASURES:**

A.6.a. The Contractor shall meet the following performance measures for each year of the Contract, including all options for term extension, or achieve, at a minimum, the stated increase from the prior Contract Year's level of performance as defined below.

A.6.b. For the first year of the Contract, any comparisons referenced to the prior Contract Year's level of performance will have been determined and established as a baseline for measurement utilizing annual data from the year prior to Contract inception, based upon a twelve (12) month period that coincides with the Contract Year. The Tennessee Child Support Enforcement System shall be the sole source of data for the base year, and shall be the sole source of data used in determining the performance level achieved by the Contractor relative to these performance standards for all years of the Contract.

A.6.c. Failure to meet a standard or achieve the corresponding increase will result in penalties as detailed in Section C.3 of this Contract.

A.6.d. **PERFORMANCE STANDARDS.**

A.6.d.i. The number of children in the Contractor's caseload with paternity established or acknowledged as of the end of each year of the Contract, as compared to the number of children in the Contractor's caseload who were born out-of-wedlock as of the end of the year preceding must equal or exceed ninety percent (90%). In the event that the ninety percent (90%) threshold is not attained, the following table details the percentage point increase required from the prior year's measure, in order that a penalty as described in Section C.3 may be avoided.

Paternity Establishment Percentage	Increase Required From Previous Year
75-89%	2% Points
50-74%	3% Points
45-49%	4% Points
40-44%	5% Points
39% and under	6% Points

A.6.d.ii. The number of IV-D cases in which a Support order (financial/medical) exists as of the end of the first Contract Year, as compared to the total number of IV-D cases in the Contractor's caseload at the same reference point in time, must equal or exceed seventy-three percent (73%). For each subsequent year of the Contract, including all options for term extension, the percentage represented by this ratio (cases in which a Support order exists as compared to the number of active cases in the caseload) must increase by a minimum of one (1) percentage point, as set forth in the chart contained in this section. With the exception of the final Contract Year, including all options for term extension, if the requisite percent threshold is not attained for a given Contract Year, a penalty will be incurred as provided for in Section C.3, unless the performance level attained in the following Contract Year meets or exceeds that current Contract Year's required level. In order to avoid a penalty for the final Contract Year, the minimum required level for that Contract Year must be attained. For the purpose of determining if this requirement is met, computed percentages will be rounded to the nearest whole percentage point.

The table below IS NOT a guarantee or commitment to the Contractor that this Contract has a term of five (5) years. Section B.2 of this Contract allows the State to extend this Contract in one (1) year increments up to five (5) years. The remaining two Contract Years are included in the event that the State of Tennessee chooses to extend this Contract up to the maximum term of five (5) years.

Contract Year	Minimum Required Level
1	73%
2	74%
3	75%
4	76%
5	77%

A.6.d.iii. With the exception of the final Contract Year, including all options for term extension, the ratio calculated at the end of a given Contract year, comparing the total amount of current support collected (*i.e.*, support payments which are applied to obligations representing current support and are subsequently disbursed to the appropriate recipient) during the Contract Year to the total amount of current support owed during that Contract year, must equal or exceed sixty percent (60%). With the exception of the final Contract Year, including all options for term extension, if the requisite percent threshold is not attained for a given Contract Year, a penalty will be incurred as provided for in Section C.3, unless the performance level attained in the following Contract Year meets or exceeds the required sixty percent (60%) level. In order to avoid a penalty for the final Contract Year, the minimum required level of sixty percent (60%) must be attained. For the purpose of determining if this requirement is met, computed percentages will be rounded to the nearest whole percentage point.

A.7. The Contractor shall accept case referrals from the Department via automated system interface, and case transfers from other in-state jurisdictions and shall provide application forms and accept applications from any custodial parent, non-custodial parent, or other designated caretaker of a child who desires Title IV-D services.

A.8. The Contractor shall continue efforts for collection of court-ordered obligated arrears and/or medical support owed to the State when a TANF and/or TennCare family loses eligibility, unless there is no possibility of securing such, as determined by the State. Additionally, the Contractor shall continue to provide all appropriate child support services to the family as a non-TANF case unless conditions exist that preclude continued services as set forth in the State Child Support Services Manual.

A.9. The Contractor shall close appropriate cases timely per instructions provided in the Child Support Services Manual.

A.10. The Contractor shall seek enforcement by the Court, Referee or hearing officer of all unpaid child support at any Judicial hearing or Administrative hearing appropriate for such purpose, using available legal processes.

A.11. No later than the first working day following a decision establishing or modifying a support order, the Contractor shall ensure that the Support order information is keyed into TCSES except for good cause, as determined by the State.

A.12. The Contractor shall use TCSES as the exclusive computer system for all child support operations. The Contractor agrees to: input necessary data; use such system as directed by the State; work cooperatively with Clerks of Court regarding automated system issues; and designate specific staff as needed to maintain adequate TCSES system support.

A.13. The Contractor shall furnish and maintain any automation hardware (including IP based terminals and workstations) and any software necessary for connection according to State requirements, to inquire, update, and maintain the TCSES system as required by the State. Further, the Contractor shall furnish to the State the Contractor's documented and tested Disaster Recovery Plan. The Contractor understands and agrees that the State network connection and software will only be used in the performance of the agreed upon functions, and that usage of the State network connection and network software for unauthorized purposes may result in the cancellation of this Contract, and that the State may pursue all remedies at law and in equity.

A.14. The Contractor shall ensure, to every extent possible, that all support payments are made by the obligor directly to the State Centralized Collections Unit, so that the State may comply with the distribution provisions of Title IV-D. The Contractor shall not collect any support monies.

A.15. The Contractor shall cooperate with other states in matters concerning Interstate IV-D cases as required by 45 C.F.R. §303.7, and Chapter 8 of the Child Support Services Manual. Such cooperation shall include, but not be limited to, providing accurate and sufficient information to other states, notifying responding states of changes in case status, and providing all appropriate establishment and enforcement procedures and notifications as required by Federal regulations, under 45 C.F.R. §303.7.

A.16. The Contractor shall immediately respond to the State IV-D agency's central office on any requests for case status information. Such response shall contain sufficient information regarding the status of the case to permit the State to reply to the inquiring party in an effective manner.

A.17. The Contractor shall advise the State of any significant changes in court filing procedures occurring within the Judicial District.

A.18. The Contractor shall maintain accurate case records for all open IV-D cases during the Contract period.

A.19. The Contractor shall establish and maintain complete automated case records as required in the Child Support Services Policy Manual for all Departmental referrals and other applications for Title IV-D services. Such case records shall include, but are not limited to, the following information:

a) A record of any contact with an applicant or TANF recipient, including date, reason and result of the contact.
b) A record of any contact with the non-custodial parent, including date, reason and result of such contact.
c) A record of any actions taken in accordance with Section A.4. (a-e) of this Contract, including dates and results of such actions.
d) A record of any communications with the State or Federal government on the case.
e) A record of any case closures, including the date and reason for closure action.

A.20. The Contractor shall maintain, in hard copy, a signed application from each non-TANF applicant. Other items, as deemed necessary by the Contractor or State, including, but not limited to, court orders, other pertinent legal documents, and correspondence, shall be retained in hard copy. Both automated and hard copy case files, including, but not limited to, all client records and records related to case activity, shall be considered the property of the State of Tennessee and shall be delivered immediately to the State or its designee upon Contract termination or at such other time as these are requested by the State. (Reference Section E.21).

A.21. The Contractor shall timely resolve all TCSES generated mail messages and perform all appropriate employer maintenance activities which relate to connecting appropriate employer(s) of the non-custodial parent for purposes of income assignment.

A.22. The Contractor shall ensure that TCSES worker alerts and suspended payments are resolved in a timely manner as defined by the State in the TCSES System User's Manual and in TCSES User's Mail Alert Messages.

A.23. The Contractor shall ensure, at a minimum, that the child support office Administrator and attorney(s) attend any meetings sponsored by the State at which attendance is requested at the Contractor's sole cost and expense. Such meetings will generally not exceed twelve (12) days per year with no more than six (6) overnight stays involved; however, unique or unusual training requirements could result in an increase in the number of meetings where attendance is required. Except in emergency situations, a minimum two (2) week notice of meetings will be given to the Contractor.

A.24. The Contractor shall be responsible for the proper training and management of staff assigned to this project. Proper training shall consist of all ongoing training deemed necessary and provided by the Contractor, as well as training conducted pursuant to State directives resulting from cited deficiencies made manifest through Technical Assistance Reviews, customer complaint patterns, or other sources.

A.25. The Contractor shall ensure, at a minimum, that the Child Support Office(s) remain open and staffed on all days that the State is open and staffed. Core hours established for the operation of State offices shall be adhered to. The Contractor's staff shall be available to assist clients continuously throughout the day, from opening until close of business, including the lunch hour. (Reference Attachment A - Breaches and Associated Liquidated Damages.)

A.26. The Contractor shall ensure that brochures, pamphlets, notices and/or press releases state that the Tennessee Department of Human Services (TDHS) is funding this child support office and that any complaints, suggestions or recommendations be reported to the Department of Human Services at 1-800-838-6911. The Contractor shall further ensure that the TDHS logo is included on brochures and

pamphlets, and that prior State approval shall be obtained on all brochures, pamphlets, notices and press releases.

A.27. The Contractor shall provide a written Corrective Action Plan within sixty (60) days of the date of any letter from the State which specifies a program deficiency and requests a Corrective Action Plan and to take necessary corrective action within a one (1) year time frame. Any plan requiring more than one (1) year must be approved by the Assistant Commissioner of Child Support Services. (Reference Attachment A - Breaches and Associated Liquidated Damages.)

A.28. The Contractor shall clarify and/or revise within fifteen (15) working days any Corrective Action Plan which the State determines to be unacceptable in addressing the deficiencies. (Reference Attachment A -Breaches and Associated Liquidated Damages.)

A.29. The Contractor shall participate in any statewide corrective action plan deemed necessary by the State in response to an audit failure, regardless of whether the Contractor's office(s) failed the audit.

A.30. The Contractor shall establish and maintain professional working relationships with the Judiciary, Clerks of Court, local law enforcement, employers, and local Department of Human Services (DHS) offices.

A.31. The Contractor shall refer any cases of suspected fraud related to child support or receipt of public assistance to the local DHS office.

A.32. The Contractor shall refer any cases of suspected statutory rape to the District Attorney. Reference T.C.A. Sections 38-1-305, 38-1-306, 39-13-504, 39-13-506, and 39-13-522.

A.33. The Contractor shall maintain staffing at a level consistent with one (1) Full-Time Equivalent (FTE) employee per four hundred fifty (450) cases. (Reference Attachment A - Breaches and Associated Liquidated Damages.)

A.34. The Contractor shall provide, on a semi-annual basis, certification to the State for all Title IV-D employees, signed by the employees or supervisor with "first hand" knowledge of work performed by the employee, that all work performed for the period is in conformity with provisions of Title IV-D.

A.35. The Contractor shall submit, as an attachment to billing invoices, personnel activity reports for all multiple activity employees or subcontractors (employees or subcontractors working less than One Hundred Percent (100%) of their time on Title IV-D functions) that:

a) Provide after-the-fact distribution of actual activity;
b) Account for total compensated activity;
c) Are prepared at least monthly and coincide with one or more pay periods; and
d) Are signed by the employee.

The Contractor shall also submit a quarterly report for these employees that includes the dates, times and functions of their involvement on the project for each quarter.

A.36. The Contractor shall cooperate fully with any data collection and evaluation activities or audits carried out by the State or Federal government in connection with the services performed under this Contract.

A.37. The Contractor shall secure all relevant information immediately and file a proof of claim with the Bankruptcy Court on behalf of the State in a timely manner in the event the Contractor receives notice that an obligor has filed a Bankruptcy petition. The Contractor shall discontinue all enforcement action against the obligor as required by Bankruptcy Court or law, except such actions as may be permitted by law to obtain relief from the automatic stay or other orders of the Bankruptcy Court that will permit continued collection of current child support or arrears.

A.38. The Contractor shall petition the Court for program fees to be assessed against the obligor for services rendered in accordance with instructions from the State and to ensure that such fees, as well as genetic testing reimbursement payments, are paid and properly remitted to the State.

A.39. The Contractor shall collect and remit to the State any fees which are required or may be required to be charged under State or Federal law, regulation or policy, such as the application fee provided for in State statute, should the State choose to assess the application fee to the applicant. This fee is currently paid by the State.

A.40. **TITLE VI RESPONSIBILITIES**. The Contractor shall implement a plan to comply with Title VI of the Civil Rights Act of 1964:

A.40.a. To include, but not to be limited to: the training of staff on civil rights of applicant/recipients of Title IV-D services, both on an annual basis for all employees and as part of orientation training for new employees; the provision of language assistance services, and a process for receiving and investigating any complaints regarding Title VI discrimination. Such plan shall be made available to the State upon request. Such plan and provision of services must conform to the requirements of both Federal and State law and guidelines relevant to Title VI.

A.40.b. To provide appropriate language assistance at no cost to ensure that persons are not excluded from equal program participation. Individuals who do not speak English as their primary language and who have a limited ability to read, speak, write or understand English may be limited English proficient, or "LEP". These individuals are entitled under Title VI of the Civil Rights Act of 1964 to free language assistance so they can apply for and/or access the State's services or benefits. Appropriate language assistance includes, but is not limited to: translation of documents, contract staff interpreters, contract interpreters from within the community, and a telephone interpreter service. The availability of interpreter services, at no cost, must be posted in a conspicuous place, available to all employees, applicants, and clients. Notice of the process for filing a complaint must also be posted in a conspicuous place for clients.

A.41. **Telephone Services**. The Contractor shall provide all telephonic equipment (including speaker-phones and three-way calling capability) necessary to comply with Title VI requirements regarding limited English proficient clients. The Contractor shall ensure that sufficient incoming telephone lines are available, such that callers are able to contact the Contractor ninety-five percent (95%) of the time on the first try, and wait no longer than six (6) minutes in the on-line queue. The Contractor shall obtain and submit, upon request of the State, documentation from the local telephone service provider that these standards are being met. In the event that it is determined that the local telephone service provider is unable to supply the required information, the Contractor must maintain an in-house phone system which allows for determination of the likelihood that callers receive a busy signal, and must supply data related to this requirement to the State. (Reference Attachment A - Breaches and Associated Liquidated Damages.)

A.42. **Customer Services Unit**. The Contractor shall establish a Customer Service Unit within its office(s) in the 6th Judicial District to monitor issues related to customer service, and this unit will be responsible for developing complaint processing and resolution procedures, which will be submitted to the State for approval on an annual basis. The State may develop a customer satisfaction survey instrument which will be utilized periodically through the term of the Contract to assess Contractor performance in this area and to determine the effectiveness of the Contractor's customer service process. Once developed, a copy of the survey instrument will be provided to the Contractor for information purposes only.

A.43. The Contractor shall abide by the proposal submitted in response to the Request for Proposal in the operation of this program unless prior approval is granted in writing by the State for any deviation. Any such deviation from the Contractor's proposal shall be limited to such methodologies as are utilized to fulfill the terms and conditions of the Contract; any modifications to Contract terms and conditions shall be accomplished in accordance with the requirements of Section D.2.

A.44. The Contractor shall comply fully with the aforementioned policies and all other provisions of Title IV-D of the Social Security Act, as amended, Title 45, Code of Federal Regulations as amended, Tennessee Code Annotated, as amended, and the program instructions, as amended, issued by the State. (Reference Attachment A – Breaches and Associated Liquidated Damages).

A.44.a. The Contractor shall comply with the use and interpretation by the State of the Tennessee Child Support Guidelines and their application to all Title IV-D cases, except where a final order of any Court shall have been entered directing otherwise and the appeal and the time to appeal such order have expired. (Reference Attachment A – Breaches and Associated Liquidated Damages).

A.44.b. The Contractor shall adhere to all orders of a Court of competent jurisdiction except where an order has been timely appealed by the Contractor or the Attorney General and the order has not been finalized due to the appeal of such order. (Reference Attachment A – Breaches and Associated Liquidated Damages).

A.44.c. The Contractor shall adhere to all final orders of any Administrative Hearing Officer of the Department and shall not attempt to appeal any final orders of the Commissioner of the Department of Human Services. (Reference Attachment A – Breaches and Associated Liquidated Damages).

A.44.d. The Contractor agrees with, and shall adhere to, the interpretation by the Tennessee Attorney General's Office that, pursuant to Rule 43 of the Tennessee Rules of Appellate Procedures, the order of a Tennessee trial court is not final until the mandate of the appellate court has been issued to the trial

court and that an order declaring any provision of the Tennessee Child Support Guidelines or any statute unconstitutional or otherwise invalid is not final until such mandate has been entered. This provision shall continue in effect only as long as Rule 43 remains substantially unchanged from the date this Contract is effective or until further interpretation by the Attorney General or the Tennessee Court of Appeals or the Tennessee Supreme Court. (Reference Attachment A – Breaches and Associated Liquidated Damages).

A.44.e. Failure to adhere to the provisions of Paragraph A.44 shall be considered a breach of the Contract and a basis for termination for cause and shall also subject the Contractor to liquidated damages. (Reference Attachment A - Breaches and Associated Liquidated Damages).

A.45. The Contractor shall secure the prior written approval of the State before reassigning any proposed employee to another project.

A.46. The Contractor shall submit for the Department's approval the name and credentials of any person(s) who is/are proposed to replace any existing or previously proposed management or supervisory staff of the project.

A.47. The Contractor shall timely provide a Monthly Project Update Report. The report shall consist of at a minimum:

a) Summary of monthly accomplishments;
b) Summary of actions taken during the month (customer service, caseload activity, collections);
c) Summary of issues requiring resolutions/policy clarification;
d) Staffing (total staff allocated to project, staff hired, staff reassigned, key staff changes, part-time staff assigned to project); and
e) Summary of other activities (training or other initiatives).

The Monthly Project Update Report will be considered to be received timely if received by the last day of the month following that month for which reporting is done. The Contractor shall provide additional reports as requested by the State. (Reference Attachment A - Breaches and Associated Liquidated Damages).

A.48. The Contractor shall allow, at Contract re-bidding, potential bidders the opportunity to interview, at a minimum, the attorney(s) and office administrator(s), to obtain an understanding of local office(s) operations including pertinent statistical data, such as child support collections and caseload.

A.49. The Contractor shall identify any State-referred cases wherein the caretaker refuses to cooperate in the effort to secure or enforce an order of support and to notify the local office of the Department of Human Services of such refusal.

A.50. The Contractor shall comply with State policy regarding the Informal Complaint Process by providing a complete explanation of the procedure to customers along with the required Client Complaint form (State Form HS-2755).

A.51. **PHYSICAL SECURITY – MINIMUM PROTECTION STANDARDS.** The Contractor agrees that strict physical security standards shall be maintained in accordance with State policy and Internal Revenue Service Publication 1075 (Rev 6-2000). The Contractor shall maintain strict physical security according to three alternatives. For alternatives 2 & 3, intrusion detection equipment must be added to doors and windows as follows: Intrusion Detection Systems (IDS) designed to detect attempted breaches of perimeter areas. IDS to be used in conjunction with other measures to provide forced entry protection for after hours security. Additionally, alarms for individual and document safety (fire) and other physical hazards (water pipe breaks) are recommended. Alarms shall annunciate at an on-site protection console, a central station or local police station. Intrusion Detection Systems include, but are not limited to, door and window contacts, magnetic switches, motion detectors, sound detectors, etc., and are designed to set off an alarm at a given location when the sensor is disturbed.

A.51.a. ALTERNATIVE 1:
Secured Perimeter – Enclosed by slab-to-slab walls constructed of approved materials and supplemented by periodic inspection. Any lesser-type partition supplemented by UL approved electronic intrusion detection and fire detection systems. Unless there is an electronic intrusion detection device, all doors entering the space must be locked. In the case of a fence/gate, the fence must have intrusion detection devices or be continually guarded and the gate must be either guarded or locked with intrusion alarms. Space must be cleaned during duty hours. This requirement could apply to exterior or interior perimeters.

Locked Container – A commercially available or prefabricated metal cabinet or box with riveted or welded seams, or metal desks with lockable drawers.

A.51.b. ALTERNATIVE 2:
Locked perimeter – High security pin-tumbler cylinder (cipher) locks meeting the following criteria:

Key operated mortised or rim-mounted dead bolt lock
Dead bolt throw of one inch or longer
Double cylinder design – must have five or more pin tumblers
If bolt is visible when locked, must contain hardened inserts or be made of steel
Both the key and the lock must be "off master"

Secured Interior Area – same specifications as secured perimeter as defined in A.51.a.

A.51.c. ALTERNATIVE 3:
Locked Perimeter –as defined in A.51.b.

Security Container – Metal containers that are lockable and have a resistance to penetration. There should only be 2 keys to the containers. Strict control of keys is mandatory. (Examples: mini-safes, metal key lock files, metal pull drawer cabinets with center/off center lock bars secured by padlocks.)

A.52. The State shall transmit referrals to the Contractor on appropriate child and spousal support cases pursuant to Title IV-D of the Social Security Act, 42 U.S.C. §651, *et seq.* Such referrals will contain the name of the recipient, names of the children and the associated non-custodial parent, if known, such identifying information as is available to assist in the Location Activities and support enforcement process, pertinent known legal information relative to marital status and orders for support, the amount of the family's assistance (TANF) grant or State provided medical services, available data relative to the non-custodial parent's whereabouts and employment, and any other available information which may relate to the support process.

A.53. The State shall provide pertinent information relative to changes of status in referred cases, including, but not limited to, closure of the public assistance case and changes in the aid group.

A.54. The State shall withdraw any case referrals at the discretion of the State.

A.55. The State shall provide a system-driven parent location service, which will allow access through automated interfaces to various local, state, regional and national databases to facilitate the location of non-custodial parents.

A.56. The State shall ensure that collections are appropriately disbursed to the family and to the federal and state government.

A.57. The State shall consult with the Contractor concerning potential settlements affecting the rights of the State and concerning all adverse administrative or judicial rulings in order to determine appropriate remedies to be sought by the Contractor or the State Attorney General.

A.58. The State shall monitor Contractor performance through quarterly (or more frequently as deemed necessary) on-site visits.

A.59. The State shall operate an assessment process to review, through the automated system, office effectiveness and achievement of performance goals and desired outcomes in accordance with Federal regulations, State and Federal laws and applicable court decisions. This review shall take place on an annual basis (or more often as deemed necessary) and will be used to identify areas of weakness or non-compliance which may then be analyzed more thoroughly during on-site visits or through the technical assistance review described in Section A.60. (Reference Attachment A - Breaches and Associated Liquidated Damages.)

A.60. The State shall conduct a technical assistance review every twenty-four (24) months (or more often as deemed necessary) of the operation of the Contractor's IV-D program and within six (6) months of the appointment of new key personnel for the purpose of identifying program or fiscal deficiencies and recommendations for improvement. The State may require a corrective action plan to address these deficiencies, subject to the procedures and penalties set out in Section A.62 through Section A.65. (Reference Attachment A - Breaches and Associated Liquidated Damages.)

A.61. The State shall issue a letter delineating the deficiencies found as a result of the assessment process and technical assistance review and request submittal of a written corrective action plan within sixty (60) days. (Reference Attachment A - Breaches and Associated Liquidated Damages.)

A.62. The State shall impose a financial penalty for failure to timely submit an acceptable corrective action plan. The imposition of such penalty does not preclude the State's right to terminate the Contract during the assessment of the penalty. (Reference Attachment A - Breaches and Associated Liquidated Damages.)

A.63. The State shall notify the Contractor within thirty (30) work days of the receipt of a corrective action plan of the acceptability of the plan and allow fifteen (15) calendar days for the Contractor to submit a clarification or revision if the Plan is deemed to be unacceptable to the State. Acceptance of the Plan by the State does not guarantee that the implementation of the Plan will result in elimination of the deficiencies for which future penalties for non-compliance may be applied by the State.

A.64. The State shall continue the assessment process during the corrective action period, and upon completion of the time approved for corrective action, which will not exceed one (1) year, including any extension of time permitted by the State for good cause shown by the Contractor, will conduct a new assessment and technical assistance review to determine if the cited deficiencies have been corrected.

A.65. The State shall (unless at its sole discretion it is determined to be counter productive) impose a financial penalty for failure to correct the cited deficiencies within the corrective action period, such penalty not to preclude Contract termination. The State will conduct assessments on a quarterly basis during this period. (Reference Attachment A - Breaches and Associated Liquidated Damages.)

A.66. The State shall serve as the Central Registry for all incoming Interstate IV-D case requests, such as requests for case status and application of appropriate child support enforcement remedies, and shall disseminate these requests to the Contractor.

A.67. The State shall provide, to the Contractor, all essential forms to be used in the administration of the program as well as hard copies of the Tennessee Child Support Handbook.

A.68. The State shall provide a program policy manual either on-line or in a hard copy format (or both, at the State's discretion) with policy updates provided as necessary.

A.69. The State shall make application, in appropriate cases and upon Contractor request, to the United States Department of Health and Human Services (DHHS) for permission to utilize a United States District Court to enforce a child support order against a non-custodial parent who is present in another state.

A.70. The State shall make application, in appropriate cases and upon Contractor request, to the United States Department of Health and Human Services (DHHS) for certification to the Department of Treasury for purposes of full collection services of unpaid child support obligations.

A.71. The State shall conduct regularly scheduled Contractor's meetings and orientation to the State level program for new personnel.

A.72. The State shall provide full remuneration for the costs associated with genetic testing services, up to the maximum amount allowed by the fee schedule, which were obtained by the Contractor in compliance with the fee schedule, associated State directives, and TCSES Policy and Procedures Manual, which are incorporated herein by reference. Payment shall be made following submission of invoice accompanied by proper documentation.

A.73. The State may develop a customer satisfaction survey instrument to be used to conduct periodic surveys to assist in monitoring the effectiveness of the Contractor's customer service process for complaint processing and complaint resolution. This survey instrument will be provided to the Contractor for informational purposes only.

B. CONTRACT TERM:

B.1. Contract Term. This Contract shall be effective for the period commencing on March 1, 2007 and ending on February 28, 2010. 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 the Contract for an additional period or periods of time representing increments of no more than one year and a total contract term of no more than five

(5) years, provided that such an extension of the contract term is effected prior to the contract expiration date by means of an amendment to the Contract.

C. PAYMENT TERMS AND CONDITIONS:

C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed Nine Million Six Hundred Thousand Dollars and No Cents ($9,600,000.00).

March 1, 2007 – February 29, 2008	$3,400,000.00
March 1, 2008 – February 28, 2009	$3,100,000.00
March 1, 2009 – February 28, 2010	$3,100,000.00

The Payment Rates in Section C.3 shall constitute the entire compensation due the Contractor for the Service and all of the Contractor's obligations hereunder regardless of the difficulty, materials or equipment required. The Payment Rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

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

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

C.3. Payment Methodology. The Contractor shall be compensated based on the Payment Rates herein for units of service authorized by the State in a total amount not to exceed the Contract Maximum Liability established in Section C.1. The Contractor shall be compensated based upon the following Payment Rates:

	Contract Year 1 Monthly Rate	**Contract Year 2 Monthly Rate**	**Contract Year 3 Monthly Rate**	***Contract Year 4 Monthly Rate**	***Contract Year 5 Monthly Rate**
% of Prior Month Disbursed Collections*	9.70	8.00	7.80	TBN	TBN

*Collections as calculated for the annual OCSE-157 report, and represented on the *Monthly Performance Measures Report* provided to each Tennessee Judicial District.

The Cost Table above IS NOT a guarantee or commitment to the Contractor that this Contract has a term of five (5) years. Section B.2 of this Contract allows the State to extend this Contract in one (1) year increments up to five (5) years. *The remaining two Contract Years are included in the event that the State of Tennessee chooses to extend this Contract up to the maximum term of five (5) years.

The compensation for **Contract Years 4 and 5** shall be negotiated based upon a Monthly Rate that is less than or equal to the Monthly Rate proposed for Contract Year 3.

The Contractor shall not be compensated for travel time to the primary location of service provision.

Penalties. The following penalties will be incurred by the Contractor in the event that the performance standards described in Section A.6.a-d are not attained for any Contract Year during the term of the Contract. Any penalties incurred in accordance with this Section C.3 will be calculated based upon payments made to the Contractor during the prior Contract Year (*i.e.*, the year for which the performance requirement was measured).

1) The Contractor shall be penalized two percent (2%) of the amount to be paid the Contractor in accordance with the payment methodology defined in this Section C.3. for failure to meet the required percentage related to paternity establishment, as outlined in Section A.6.d.i. of this Contract. Should the Contractor fail to attain this performance standard, said penalty shall be imposed unless the requisite percentage increase from the percentage level attained the previous year has been achieved, in accordance with the table shown in Section A.6. of this Contract.

2) The Contractor shall be penalized two percent (2%) of the amount to be paid the Contractor in accordance with the payment methodology outlined in this Section C.3. for failure to meet the performance standard related to support order establishment, as outlined in Section A.6.d.ii. of this Contract. With the exception of the final Contract Year, including all options for term extension, should the Contractor fail to attain this performance standard for a given Contract Year, said penalty shall be imposed unless the performance level attained in the following Contract Year meets or exceeds that current Contract Year's required level. In order to avoid a penalty for the final Contract Year, the minimum required level for that Contract Year must be attained.

3) The Contractor shall be penalized two percent (2%) of the amount to be paid the Contractor in accordance with the payment methodology outlined in this Section C.3. for failure to meet the performance standard related to collection of current child support, as outlined in Section A.6.d.iii. of this Contract. With the exception of the final Contract Year, including all options for term extension, should the Contractor fail to attain this performance standard for a given Contract Year, said penalty shall be imposed unless the performance level attained in the following Contract Year meets or exceeds that current Contract Year's required level. In order to avoid a penalty for the final Contract Year, the minimum required level for that Contract Year must be attained.

The Contractor shall submit monthly invoices, in form and substance acceptable to the State with all of the necessary supporting documentation, prior to any payment. Such invoices shall be submitted for completed months of service for the amount stipulated. Said monthly amounts shall be reduced by any penalties incurred pursuant to this Section C.3. until such penalties are paid in full. The Contractor's monthly invoices shall also include any request for reimbursement due the Contractor in accordance with the provisions of Section A.72. of this Contract. Such invoices shall, at a minimum, include the date of the invoice, the name of the submitting organization, the applicable billing month, the billing month total distributed collections as shown on the Monthly Performance Measures Report, the contracted compensation rate in effect for the month of the collections, and the amount due.

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

C.5. Payment of Invoice. The payment of the invoice by the State shall not prejudice the State's right to object to or question any invoice or matter in relation thereto. Such payment by the State shall neither be construed as acceptance of any part of the work or service provided nor as an approval of any of the amounts invoiced therein.

C.6. Invoice Reductions. The Contractor's invoice shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by the State, on the basis of audits conducted in accordance with the terms of this contract, not to constitute proper remuneration for compensable services.

C.7. Deductions. The State reserves the right to deduct from amounts which are or shall become due and payable to the Contractor under this or any contract between the Contractor and the State of Tennessee any amounts which are or shall become due and payable to the State of Tennessee by the Contractor.

C.8. Automatic Deposits. The Contractor shall complete and sign an "Authorization Agreement for Automatic Deposit (ACH Credits) Form." This form shall be provided to the Contractor by the State. Once this form has been completed and submitted to the State by the Contractor all payments to the Contractor, under this or any other contract the Contractor has with the State of Tennessee shall be made by Automated Clearing House (ACH). The Contractor shall not invoice the State for services until the Contractor has completed this form and submitted it to the State.

D. STANDARD TERMS AND CONDITIONS:

D.1. Required Approvals. The State is not bound by this Contract until it is approved by the appropriate State officials in accordance with applicable Tennessee State laws and regulations.

D.2. Modification and Amendment. This Contract may be modified only by a written amendment executed by all parties hereto and approved by the appropriate Tennessee State officials in accordance with applicable Tennessee State laws and regulations.

D.3. Termination for Convenience. The State may terminate this Contract without cause for any reason. Said termination shall not be deemed a Breach of Contract by the State. The State shall give the Contractor at least Ninety (90) days written notice before the effective termination date. The Contractor shall be entitled to receive compensation for satisfactory, authorized service completed as of the termination date, but in no event shall the State be liable to the Contractor for compensation for any service which has not been rendered. Upon such termination, the Contractor shall have no right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

D.4. Termination for Cause. If the Contractor fails to properly perform its obligations under this Contract in a timely or proper manner, or if the Contractor violates any terms of this Contract, the State shall have the right to immediately terminate the Contract and withhold payments in excess of fair compensation for completed services. 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 B, 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.

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.

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.

11. Progress Reports. The Contractor shall submit brief, periodic, progress reports to the State as requested.

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.

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.

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

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.

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

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.

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.

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.

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:
Susan Welchance
Department of Human Services
400 Deaderick Street
Citizens Plaza Building - 12th Floor
Nashville, TN 37248
Telephone Number: (615) 313-4880
Fax Number: (615) 532-2791

The Contractor:
Bob Johnson, President of Operations
YoungWilliams P.C.
210 E. Capitol Street, Suite 2000
Jackson, MS 39201
TELEPHONE: (601) 360-9035
FACSIMILE: (601) 355-6136

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

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

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

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

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

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

(1) In event of a Breach by Contractor, the state shall have available the remedy of Actual Damages and any other remedy available at law or equity.

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

The State may continue to withhold the Liquidated Damages or a portion thereof until the Contractor cures the Breach, the State exercises its option to declare a Partial Default, or the State terminates the Contract. The State is not obligated to assess Liquidated Damages before availing itself of any other remedy. The State may choose to discontinue Liquidated Damages and avail itself of any other remedy available under

this Contract or at law or equity; provided, however, Contractor shall receive a credit for said Liquidated Damages previously withheld except in the event of a Partial Default.

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

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

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

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

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

E.5. Partial Takeover. The State may, at its convenience and without cause, exercise a partial takeover of any service which the Contractor is obligated to perform under this Contract, including but not limited to any service which is the subject of a subcontract between Contractor and a third party, although the Contractor is not in Breach (hereinafter referred to as "Partial Takeover"). Said Partial Takeover shall not be deemed a Breach of Contract by the State. Contractor shall be given at least 30 days prior written notice of said Partial Takeover with said notice to specify the area(s) of service the State will assume and the date of said assumption. Any Partial Takeover by the State shall not alter in any way

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.11. Public Funding Notice. All notices, informational pamphlets, press releases, research reports, signs, and similar public notices prepared and released by the Contractor relative to this Contract shall include the statement, "This project is funded under an agreement with the State of Tennessee." Any such notices by the Contractor shall be approved by the State.

E.12. Prohibited Advertising. The Contractor shall not refer to this Contract or the Contractor's relationship with the State hereunder in commercial advertising in such a manner as to state or imply that the Contractor or the Contractor's services are endorsed.

E.13. Copyrights and Patents. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims or suits which may be brought against the State for infringement of any laws regarding patents or copyrights which may arise from the Contractor's performance of this Contract. In any such action brought against the State, the Contractor shall satisfy and indemnify the State for the amount of any final judgment for infringement. The Contractor further agrees it shall be liable for the reasonable fees of attorneys for the State in the event such service is necessitated to enforce the terms of this Contract or otherwise enforce the obligations of the Contractor to the State. The State shall give the Contractor written notice of any such claim or suit and full right and opportunity to conduct the Contractor's own defense thereof.

E.14. 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.15. 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.16. Authorized Individuals. Each party hereto has provided the other party hereto with a list identifying the individuals from whom the other party is authorized to accept any notices, requests, demands, or other advice which may be given hereunder by the party providing such list. Said lists, which are attached hereto as Attachment C, shall be valid until revoked or amended by further written notice. The parties hereto shall only be entitled to rely on notices, requests, demands, or other advice given by such individuals.

E.17. 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.18. 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.19. Debarment and Suspension. The Contractor certifies, to the best of its knowledge and belief, that it and its principals:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal or State department or agency;

b. have not within a three (3) year period preceding this Contract been convicted of, or had a civil judgment rendered against them from commission of fraud, or a criminal offence in connection with obtaining attempting to obtain, or performing a public (Federal, State, or Local) transaction or grant under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;

c. are not presently indicted for or otherwise criminally or civilly charged by a government entity (Federal, State, or Local) with commission of any of the offenses detailed in section b. of this certification; and

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

E.20. Confidentiality of Records. The Contractor agrees that strict standards of confidentiality of records shall be maintained in accordance with State and Federal law and regulations (Reference T.C.A. Section 71-1-131, Section 71-3-119 and all other applicable State and Federal law and regulations).

a. All material and information provided to the Contractor by the State or acquired by the Contractor on behalf of the State whether verbal, written, electronic, magnetic tape, cards or otherwise shall be regarded as confidential information in accordance with the provisions of State law and ethical standards and shall not be disclosed, except as otherwise permitted by law, regulation or court order. All necessary steps shall be taken by the Contractor to safeguard the confidentiality of such material or information in conformance with Federal and State law and ethical standards.

b. The Contractor further agrees that any information provided by the State relative to applicants or recipients of public assistance is to be used only for the administration of this Contract or in any investigation, prosecution, or criminal or civil proceeding, conducted pursuant to this Contract. The Contractor agrees to provide safeguards to restrict the use or disclosure of any information concerning such applicants or recipients to purposes stated herein.

c. The safeguards so provided shall also prohibit disclosure to any legislator, legislative or other committee or legislative body, of any information which identifies by name, address, or other identifying information, any such applicant or recipient, except as otherwise permitted by law.

d. The Contractor agrees that any Federal or State tax related information will be treated as confidential, and will be used solely for purposes of administering the child support program, unless otherwise required by law.

e. It shall be the Contractor's responsibility to ensure that any destruction of confidential information, as described in this section, will be accomplished in a manner consistent with State policy and Federal regulations pertaining to the destruction of private or confidential data.

f. 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.

g. In performance of this Contract, the Contractor agrees to comply with and assume responsibility for its employees' compliance with the following requirements regarding Federal tax information:

1) All work will be done under the supervision of the Contractor or the Contractor's employees.

2) Any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this Contract. Information contained in such material will be treated as confidential and will not be divulged or made known in any manner to any person except as may be necessary in the performance of this Contract. Disclosure to anyone other than an officer or employee of the Contractor will be prohibited.

3) All returns and return information will be accounted for upon receipt and properly stored before, during, and after processing. In addition, all related output will be given the same level of protection as required for the source material.

4) The Contractor certifies that the data processed during the performance of this Contract will be completely purged from all data storage components of its computer facility, and no output will be retained by the Contractor at the time the work is completed. If immediate purging of all data storage components is not possible, the Contractor certifies that any IRS data remaining in any storage component will be safeguarded to prevent unauthorized disclosures.

5) Any spoilage or any intermediate hard copy printout that may result during the processing of IRS data will be given to the State or its designee. When this is not possible, the Contractor will be responsible for the destruction of the spoilage or any intermediate hard copy printouts, and will provide the State or its designee with a statement containing the date of destruction, description of material destroyed, and the method used for destruction.

6) All computer systems processing, storing, or transmitting Federal tax information must meet Department of Defense Trusted Computer System Evaluation Criteria (TCSEC) (DOD 5200.28-STD). To meet functional and assurance requirements, the operating security features of the system must have the following minimum requirements: a security policy, accountability, assurance, and documentation. All security features must be available and activated to protect against unauthorized use of and access to Federal tax information.

7) No work involving Federal tax information furnished under this Contract will be subcontracted without prior written approval from the State.

8) The Contractor will maintain a list of employees with authorized access to confidential information identified in this section. Such list will be provided to the State and, upon request, to the IRS reviewing office.

9) The State will have the right to void the Contract if the Contractor fails to provide the safeguards described above.

h. Criminal /Civil Sanctions: Each officer or employee of any person to whom returns or return information is or may be disclosed will be notified in writing by such person that returns or return information disclosed to such officer or employee can be used only for a purpose and to the extent authorized herein, and that further disclosure of any such returns or return information for a purpose or to an extent unauthorized herein constitutes a felony punishable upon conviction by a fine of as much as five thousand dollars ($5,000.00) or imprisonment for as long as five (5) years, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized further disclosure of returns or return information may also result in an award of civil damages against the officer or employee in an amount not less than one thousand dollars ($1,000.00) with respect to each instance of unauthorized disclosure. These penalties are prescribed by IRC sections 7213 and 7431 and set forth at 26 CFR §301.6103(n)-1.

Each officer or employee of any person to whom returns or return information is or may be disclosed shall be notified in writing by such person that any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this Contract. Information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of the Contract. Inspection by or disclosure to anyone without an official need to know constitutes a criminal misdemeanor punishable upon conviction by a fine of as much as one thousand dollars ($1,000.00) or imprisonment for as long as one (1) year, or both, together with the costs of prosecution. Such person shall also notify each officer and employee that any such unauthorized inspection or disclosure of returns or return information may also result in an award of civil damages against the officer or employee in an amount equal to the sum of the greater of one thousand dollars ($1,000.00) for each act of unauthorized inspection or disclosure with respect to which such defendant is found liable or the sum of the actual damages sustained by the plaintiff as a result of such unauthorized inspection or disclosure plus in the case of a willful inspection or disclosure which is the result of gross negligence, punitive damages, plus the costs of the action. These penalties are prescribed by IRC section 7213A and 7431.

Additionally, it is incumbent upon the Contractor to inform its officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. §552a. Specifically, 5 U.S.C. §552a(i)(1), which is made applicable to Contractors by 5 U.S.C. §552a(m)(1), provides that any officer or employee of a Contractor, who by virtue of his/her employment or official position, has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who, knowing that disclosure of the specific material is prohibited, willfully disclosed the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than five thousand dollars ($5,000.00).

i. Inspection: The IRS and the State shall have the right to send its officers and employees into the offices, plants or other facilities of the Contractor for inspection of the facilities and operations provided for the performance of any work under this Contract. On the basis of such inspection, specific measures may be required in cases where the Contractor is found to be non-compliant with Contract safeguards.

j. The Contractor agrees that all personnel of the Contractor, and all personnel of subcontractors performing services under this Contract for the Contractor, authorized to handle Federal tax related information will sign, annually, an IRS Confidentiality Form, to be provided by the State, with the original signed forms to be maintained by the Contractor, along with a current list of its employees, and those of its subcontractors, performing services under this Contract. These IRS Confidentiality Forms, and the list of Contractor's employees and those of its subcontractors performing services under this Contract, shall be made available to the State and the IRS upon request.

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

E.21. Contract Services Transitions. 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. (Reference Section A.20)

E.21.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.21.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 insure the completion of such service prior to the termination of the Contract.

E.22. 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 monthly percentage in effect during the last year of this Contract.

E.23. Responsibility for Work Completion. The Contractor shall be responsible for the completion of all work set out in this Contract, and all work shall be subject to inspection, evaluation, and acceptance by the State. All reasonable means may be employed by the State to ensure that the work is progressing and being performed in compliance with the Contract, to include inspection of those areas of the Contractor's place of business that are related to the performance of the Contract. If such inspection is required, the Contractor shall provide reasonable access and assistance.

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-**345.13-777** (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.

IN WITNESS WHEREOF:

YoungWilliams P.C.:

12/6/06

ROBERT L. WELLS, PRESIDENT — Date

Department of Human Services:

12/13/06

Virginia T. Lodge, Commissioner — Date

APPROVED:

DEPARTMENT OF FINANCE AND ADMINISTRATION:

JAN 10 2007

M. D. Goetz, Jr., Commissioner — Date

COMPTROLLER OF THE TREASURY:

1-12-07

John G. Morgan, Comptroller of the Treasury — Date

ATTACHMENT A

BREACHES AND ASSOCIATED LIQUIDATED DAMAGES

1	Failure to timely submit a corrective action plan addressing deficiencies determined by the assessment and the technical assistance review. (Reference Sections A.27, A.60, A.61, and A.62.)	$750.00	per calendar day that a corrective action plan is not received following the passage of the 60 days specified for the development of corrective action plan.
2	Failure to correct during the corrective action period, the cited deficiencies being addressed by the corrective action plan. (Reference Section A.27. and A.65.)	$500.00	per calendar day following lapse of the period approved for corrective action to accomplish the desired results has elapsed.
3	Failure to clarify and/or revise within fifteen (15) working days any Corrective Action Plan which the State determines to be unacceptable in addressing deficiencies. (Reference Section A.28.)	$500.00	per calendar day
4	Failure to ensure that office(s) are open and staffed on all days and times that the State is open and staffed. (Reference Section A.25.)	$5,000.00	per incident
5	Failure to maintain staffing at a level consistent with one (1) FTE employee per four hundred fifty (450) cases. (Reference Section A.33.)	$7,500.00	per incident
6	Failure to meet standards related to sufficiency of available incoming telephone lines. (Reference Section A.41.)	$3,000.00	per incident
7	Failure to provide monthly project update report, no later than the end of the month following the month for which the reporting is done. (Reference Section A.47.)	$5,000.00	per incident
8	A) Failure to comply with the requirements for adherence to the interpretation and application of the Tennessee Child Support Guidelines (Reference Section A.44.a.); B) Failure to adhere to all orders of the Court of competent jurisdictions except when the order has not been finalized due to timely appeal by the Contractor or the Attorney General (Reference Section A.44.b).; C) Failure of the Contractor to adhere to all final orders of an administrative hearing officer of the Department or appealing a final order of the Commissioner of Human Services (Reference Section A.44.c.); D) Failure to adhere to the interpretation of the effect of Rule 43 of the Tennessee Rules of Appellate Procedure relative to the finality and effectiveness of a judicial order (Reference Section A.44.d.) E) Failure to adhere to the provisions of Paragraph A.44 as required by Section A.44.e.	$7,500.00	per incident

ATTACHMENT B

ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE

SUBJECT CONTRACT NUMBER:	
CONTRACTOR LEGAL ENTITY NAME:	YoungWilliams, P.C.
FEDERAL EMPLOYER IDENTIFICATION NUMBER: (or Social Security Number)	64-0847009

The Contractor, identified above, does hereby attest, certify, warrant, and assure 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.

SIGNATURE & DATE: Pres 12/6/06

NOTICE: This attestation MUST be signed by an individual empowered to contractually bind the Contractor. If said individual is not the chief executive or president, this document shall attach evidence showing the individual's authority to contractually bind the Contractor.

ATTACHMENT C

AUTHORIZED INDIVIDUALS

CONTRACTOR:

Robert Wells, President, YoungWilliams P.C.
Bob Johnson, President of Operations, YoungWilliams P.C.
James Lewis, CFO, Child Support Services, YoungWilliams P.C.

STATE:

Virginia T. Lodge, Commissioner, Department of Human Services

Michael L. Adams, Assistant Commissioner, Department of Human Services, Child Support Division