

**CONTRACT #11**  
**RFS # 321.17-00111**  
**FA # NA**  
**Edison # 25930**

**Department of State**  
**Division of Records**  
**Management**

**VENDOR:**  
**Richards & Richards Office**  
**Records Management, Inc.**

Tre Hargett, Secretary of State  
**State of Tennessee**



Division of Records Management  
312 Rosa L. Parks Avenue, 8<sup>th</sup> Floor  
Nashville, Tennessee 37243-1102

**Kevin F. Callaghan**  
Director of Records Management

615-253-4566  
Kevin.Callaghan@tn.gov

## **MEMORANDUM**

**To:** Fiscal Review Committee  
Attn: Leni Chick

**From:** Kevin Callaghan

**Date:** May 2, 2013

**Subject:** Request for review – Richards and Richards Office Records Management, Inc.

**Attachment:** 1 Contract amendment and corresponding documentation

**CC:**

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Please find attached a draft contract amendment between the Department of State and Richards and Richards Office Records Management, Inc., along with the corresponding documentation. This amendment is to increase the maximum liability and to extend the contract term for the Division of Records Management and Richards and Richards Office Records Management, Inc. The contract is for the storage of records boxes for state agencies. The Public Records Commission minutes discussing the reason for a non-competitive contract are attached.

If you need any further information or clarification, please contact me.

KL

Supplemental Documentation Required for  
Fiscal Review Committee

*Contact Name:	Kevin Callaghan	*Contact Phone:	253-4566
*Original Contract Number:	25930	*Original RFS Number:	32117-00111
Edison Contract Number: <i>(if applicable)</i>	0000075924	Edison RFS Number: <i>(if applicable)</i>	
*Original Contract Begin Date:	July 14, 2011	*Current End Date:	July 13, 2014
Current Request Amendment Number: <i>(if applicable)</i>	1		
Proposed Amendment Effective Date: <i>(if applicable)</i>	July 1, 2013		
*Department Submitting:	Department of State		
*Division:	Records Management		
*Date Submitted:	April 24, 2013		
*Submitted Within Sixty (60) days:	yes		
<i>If not, explain:</i>			
*Contract Vendor Name:	Richards & Richards Office Records Management, Inc.		
*Current Maximum Liability:	\$790,870.00		
<b>*Current Contract Allocation by Fiscal Year:</b> <i>(as Shown on Most Current Fully Executed Contract Summary Sheet)</i>			
FY: 2012	FY: 2013	FY: 2014	FY: FY FY
\$350,000	\$350,000	\$90,870	\$ \$ \$
<b>*Current Total Expenditures by Fiscal Year of Contract:</b> <i>(attach backup documentation from STARS or FDAS report)</i>			
FY: 2012	FY: 2013	FY:	FY: FY FY
\$132,142.58	\$435,872.14	\$	\$ \$ \$
<b>IF Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:</b>			
<b>IF surplus funds have been carried forward, please give the reasons and provide the authority for the carry forward provision:</b>		Funds are collected from each agency monthly to pay the vendor.	
<b>IF Contract Expenditures exceeded Contract Allocation, please give the reasons and explain how funding was acquired to pay the overage:</b>			
*Contract	State:	\$790,870	Federal:

Supplemental Documentation Required for  
Fiscal Review Committee

Funding Source/Amount:				
Interdepartmental:		\$790,870	Other:	
If "other" please define:				
Dates of All Previous Amendments or Revisions: <i>(if applicable)</i>		Brief Description of Actions in Previous Amendments or Revisions: <i>(if applicable)</i>		
Method of Original Award: <i>(if applicable)</i>		Non-competitive		
*What were the projected costs of the service for the entire term of the contract prior to contract award?		\$790,870		

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: 2014	FY: 2015	FY: 2016	FY:	FY:
Storage/Services	\$375,000	\$375,000	\$375,000		

**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:	FY:	FY:	FY:	FY:

**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:	FY:	FY:	FY:	FY:
Other Vendor Cost: (name of vendor)	FY:	FY:	FY:	FY:	FY:
Other Vendor Cost: (name of vendor)	FY:	FY:	FY:	FY:	FY:

Vendor Name Richards & Richards  
 Vendor ID 75924  
 Contract # 25930  
 Contract Period 07/14/11-07/13/14  
 Contract Amount \$790,870.00

Date Processed	Voucher #	Invoice #	Invoice Amount	Period Covered	Amount Paid - Interdepartmental	Amount Paid - Federal Funds	Interdepartmental Balance	Federal Balance	Contract Balance
04/27/12	97827	185766	\$37,669.42	Beginning Balance	\$37,669.42		\$350,000.00		\$790,870.00
05/29/12	99460	187147	\$70,442.41		\$70,442.41		\$312,330.58		\$753,200.58
06/28/12	102755	188527	\$24,030.75		\$24,030.75		\$241,888.17		\$682,758.17
07/27/12	106385	0189918	\$25,624.33		\$25,624.33		\$217,857.42		\$658,727.42
08/29/12	108404	0191701	\$29,318.70		\$29,318.70		\$192,233.09		\$633,103.09
09/27/12	111535	0192794	\$29,997.76		\$29,997.76		\$162,914.39		\$603,784.39
10/29/12	114155	0194208	\$22,364.36		\$22,364.36		\$132,916.63		\$573,786.63
11/29/12	117400	0195567	\$19,395.20		\$19,395.20		\$110,552.27		\$551,422.27
12/27/12	24102	15698	\$111.00		\$111.00		\$91,157.07		\$532,027.07
12/27/12	24103	15679	\$50.00		\$50.00		\$90,996.07		\$531,866.07
09/08/11	79177	0176546	\$13,627.46		\$13,627.46		\$77,368.61		\$518,238.61
10/07/11	81409	0177813	\$67,105.29		\$67,105.29		\$10,263.32		\$451,133.32
10/27/11	83017	0178787	\$33,666.92		\$33,666.92		-\$23,403.60		\$417,466.40
12/02/11	85714	0180349	\$24,037.67		\$24,037.67		-\$47,441.27		\$393,428.73
01/03/12	87915	0181625	\$23,857.92		\$23,857.92		-\$71,299.19		\$369,570.81
01/27/12	89225	0182374	\$21,802.47		\$21,802.47		-\$93,101.66		\$347,768.34
03/07/12	93616	0183009	\$24,107.67		\$24,107.67		-\$117,209.33		\$323,660.67
03/29/12	94549	0184363	\$26,307.30		\$26,307.30		-\$143,516.63		\$297,353.37

Vendor Name Richards & Richards  
 Vendor ID 75924  
 Contract # 25930  
 Contract Period 07/14/11-07/13/14  
 Contract Amount \$790,870.00

Date Processed	Voucher #	Invoice #	Invoice Amount	Period Covered	Amount Paid - Interdepartmental	Amount Paid - Federal Funds	Interdepartmental Balance	Federal Balance	Contract Balance
02/11/13	52167	0196933	\$18,258.01	Beginning Balance	\$18,258.01		<b>\$297,353.37</b>		<b>\$297,353.37</b>
02/11/13	52168	0198275	\$18,352.15		\$18,352.15		\$279,095.36		\$279,095.36
02/11/13	52169	0199557	\$18,842.31		\$18,842.31		\$260,743.21		\$260,743.21
03/19/13	53918	0200833	\$19,045.62		\$19,045.62		\$241,900.90		\$241,900.90
							\$222,855.28		\$222,855.28



STATE OF TENNESSEE  
DEPARTMENT OF GENERAL SERVICES  
William R. Snodgrass Tennessee Tower, 24<sup>th</sup> Floor  
312 Rosa L. Parks Avenue, Nashville, Tennessee 37243-1102  
Telephone 615-741-1363 Fax 615-532-6257

MEMORANDUM

**TO:** The Honorable Steven G. Cates, Commissioner  
Department of General Services

**FROM:** Elizabeth Crawford, Management Consultant *EC*  
Stacey Hooper, Director, Records Management *SH/JRD*  
Angelita Dobbs, Assistant Commissioner *AD*

**DATE:** March 18, 2011

**SUBJECT:** Records Management Update

In preparation for the upcoming PRC meeting, we have prepared a Records Management update for your review and approval. Currently, we believe that the PRC will request an update on the following items:

1. Belfor Restoration Status
2. Status of Records at Richards and Richards (our off-site Records Storage Center)
3. Status of upcoming RFP for Records Storage
4. Status of RDA Amendments

**BELFOR RESTORATION STATUS**

As of March 8, 2011, there were 6,998 boxes pending restoration. Of those boxes, 1,901 are due for destruction (please see attached). We have submitted a memo to each of the agencies impacted notifying them that General Services will proceed with destruction unless we receive justification to retain. The potential cost savings to the State is \$475,250.

In addition, there are approximately 165 boxes that have a destruction date between July 2011 and December 2011. We are working on preparing a destruction request for those boxes as well. The potential cost savings for these boxes is \$41,000.

We are currently receiving boxes of files from Belfor that have been restored. For several of these boxes we can determine the owner agency; however, they do not contain sufficient information for General Services to properly store them at Richards and Richards. These boxes

will be returned to the owner agency for them to provide the missing information. The agency Records Officers/Coordinators will then be expected to enter the box details in the Richards and Richards's database for so that they can be stored.

## **STATUS OF RECORDS AT RICHARDS AND RICHARDS**

As of March 8, 2011, there are approximately 121,000 boxes stored at Richards and Richards. In order to ensure that we are in compliance with RDA requirements, we are working with General Services IT division to prepare destruction reports for those records that have met their RDA requirements and should be removed from storage. Again, we will submit a memo to each agency impacted before proceeding with destruction.

We have received several boxes from Belfor that are currently stored at Richards and Richards but required information is missing from the database for them. The database contains only agency identification information. Without sufficient data, General Services cannot continue to properly store these boxes. We will notify each agency impacted that their Records Officer will have to go to Richards and Richards and review these documents or they will be returned for insufficient information.

We also have approximately 4,941 boxes with no identifiable information as to the owner agency or contents. These boxes will be permanently removed from the Richards and Richards's storage site and returned to General Services, Warehouse and Distribution Division. We will work on a weekly basis to identify the owner agency for these boxes and then return to the owner agency for further information. The agency Records Officers/Coordinators will then be expected to identify the RDA and other sufficient information for proper storage.

We have also begun to audit the data that is being entered by the Records Officers/Coordinators for storage and have identified that some boxes already in storage do not have sufficient information. We have identified these discrepancies by agency and are in the process of notifying them of these discrepancies. The Records Officer will be expected to properly update their information in the system. If they do not, the boxes will be returned to them due to insufficient information.

We have also begun to review the data that is being entered by the Records Officers/Coordinators when they are submitting a request for storage of new file boxes and have found that in some cases they are not entering all required information. Any box with insufficient information will not be picked up for storage.

In an effort to reduce input errors and insufficient data provided by agencies, we are requesting a meeting with Richards and Richards to begin auto-populating the agency name that corresponds with the allotment code.

The Honorable Steven G. Cates  
March 18, 2011  
Page 3 of 3

## **STATUS OF RFP FOR RECORDS STORAGE AND MANAGEMENT SERVICES**

The General Services RFP Coordinator has submitted an RFP for management review and it will be submitted by the end of the week to our legal counsel for review. It is our intention to have the RFP out by Friday, April 1, 2011.

## **STATUS OF RDA AMENDMENTS**

As of March 11, 2011, General Services has received approximately 60 requests for RDA amendments, revisions, or deletions. Once the agencies submit these requests to General Services, it is our responsibility to thoroughly review them to ensure that we can properly modify the retentions, ensure that the disposition is not open-ended, determine whether the revision can be combined with an existing statewide RDA, etc.

We are in the process of hiring a Records Analyst who can assist with this process. Our goal is to complete the review of these requests within the next six weeks. After completion of that task, we will then begin reviewing the remainder of the other RDAs. At that time we will begin contacting the Records Officers/Coordinators to further review their RDAs for modifications.

If you have any questions regarding the above, please contact any one of us.

ALD:cwm

Attachment

cc: Tommy Chester, CGFM, Deputy Commissioner

by  
(Contract)

# BELFOR INVENTORY -- Pending Restoration

3/8/2011

Agency Name	Pending Restoration	Due for Destruction	Potential Cost Savings
ATTORNEY GENERAL Total	27	-	\$0.00
BOARD OF PROBATION & PAROLE Total	2	-	\$0.00
BUREAU OF TN CARE Total	619	151	\$37,750.00
COMPTROLLER OF THE TREASURY Total	172	65	\$16,250.00
COURT SYSTEM Total	792	2	\$500.00
DEPARTMENT OF CHILDREN'S SERVICES Total	114	11	\$2,750.00
DEPARTMENT OF COMMERCE & INSURANCE Total	440	111	\$27,750.00
DEPARTMENT OF CONSERVATION Total	87	62	\$15,500.00
DEPARTMENT OF CORRECTION Total	4	1	\$250.00
DEPARTMENT OF EDUCATION Total	43	-	\$0.00
DEPARTMENT OF GENERAL SERVICES Total	70	29	\$7,250.00
DEPARTMENT OF HEALTH Total	926	63	\$15,750.00
DEPARTMENT OF HUMAN RESOURCES Total	3	-	\$0.00
DEPARTMENT OF HUMAN SERVICES Total	51	43	\$10,750.00
DEPARTMENT OF LABOR & WORKFORCE DEV Total	27	6	\$1,500.00
DEPARTMENT OF MENTAL HEALTH & DEV DISABILITIES Total	367	165	\$41,250.00
DEPARTMENT OF REVENUE Total	1,132	68	\$17,000.00
DEPARTMENT OF SAFETY Total	74	5	\$1,250.00
DEPARTMENT OF STATE Total	193	17	\$4,250.00
DEPARTMENT OF TRANSPORTATION Total	491	212	\$53,000.00
DEPARTMENT OF TREASURY Total	43	38	\$9,500.00
DEPT OF FINANCE & ADMINISTRATION Total	960	564	\$141,000.00
EXECUTIVE DEPARTMENT Total	11	-	\$0.00
F&A DIVISION OF MENTAL RETARDATION Total	23	2	\$500.00
HIGHER EDUCATION COMMISSION Total	16	-	\$0.00
TENN REGULATORY AUTHORITY Total	10	-	\$0.00
TENNESSEE HOUSING & DEVELOPMENT Total	301	286	\$71,500.00
<b>Grand Total</b>	<b>6,998</b>	<b>1,901</b>	<b>\$475,250.00</b>

**Minutes Of The  
Public Records Commission Meeting**

**Friday, May 27, 2011  
8:00-8:15 AM Central Daylight Time**

Secretary of State Tre Hargett opened the meeting of the Public Records Commission (PRC) at the State Capitol in the Governor's Executive Conference Room, G Floor, in Nashville, Tennessee.

**Commission Members Present:**

Tre Hargett, Secretary of State  
Steven Cates, Commissioner, Department of General Services  
Rick DuBray, State Treasurer David Lillard's designee  
Faye Weaver, Comptroller Justin Wilson's designee

**In Attendance:**

Elizabeth Crawford, Department of General Services  
Pennye Neal, Department of General Services  
Stacey Hooper, Department of General Services  
Tricia Kitchens, Department of Finance & Administration  
Mark Bengel, Department of Finance & Administration  
Thaddeus Watkins, Department of General Services  
Mona Hart, Secretary of State's Office  
Cody York, Secretary of State's Office  
Patricia Ladd, Tennessee Human Rights Commission  
Christi Poston, Department of Environment and Conservation  
Kelly Tucker, Department of Environment and Conservation  
Marian Maxwell, Department of Health  
Linda Little, Bureau of TennCare  
Amanda Crow, Bureau of TennCare  
Shirley Morgan, Department of Transportation  
Jack Jackson, Department of Transportation  
Chuck Sherrill, State Library and Archives  
Amy Czerwinski, Office of the Comptroller

**I. Call to Order and Welcome**

**II. Approval of Minutes**

Secretary of State Tre Hargett opened with the first item on the agenda, the approval of the March 23, 2011 meeting minutes, and asked if there were any comments or questions. A motion was made to approve the minutes and that motion was seconded. The minutes were approved.

**III. Records Management Update**

Secretary Hargett moved to the next item on the agenda, requesting a Records Management update, and turned the floor over to Elizabeth Crawford with General Services.

Ms. Crawford summarized the Records Management update as follows:

- Two temporary employees were hired in early April and have aided Records Management with transcribing meeting minutes, coordinating with the agencies regarding RDA revisions, Richards & Richards Web updates, box disposal tracking, identifying boxes returned from Belfor and updating the RDA database
- On April 19th, Records Management submitted two memos and supporting documents to the PRC via email requesting RDA revisions which will allow for the destruction of flood-damaged boxes at Belfor; these memos have not yet been signed by all the PRC voting members
- RDA revisions are ongoing; all agencies have been contacted and RMD has conducted follow-up meetings with most of the agencies; General Services is still compiling all the necessary paperwork and should have several more revisions to submit to the PRC in the coming weeks
- On May 6<sup>th</sup>, disposal reports were sent to all the agencies requiring signatures for the boxes due for destruction at Richards & Richards, totaling approximately 37,000 boxes
- As of May 25th, there were approximately 11,000 boxes remaining at Belfor in Fort Worth, Texas, of which approximately 6,000 are pending restoration
- The restoration completion is still projected for Spring 2012 as there are still 11,000 boxes in cold storage for Belfor to sort through
- A new Records Analyst is being hired and should be starting in early June
- Records Management is still working to help General Services go paper-less; this project will allow DGS Commissioners and Division Directors to electronically sign all their business documents and store records within the Filenet database system

Ms. Crawford asked if there were any questions and concluded her update. Secretary Hargett thanked Ms. Crawford for the report and requested an update from General Services Commissioner Steve Cates on the Richards & Richards contract. Commissioner Cates turned the floor over to his General Counsel, Thad Watkins.

Mr. Watkins explained that General Services had obtained approval from Finance & Administration as well as the Legislative Fiscal Review to pursue a sole-source contract with the agency's existing contractor, Richards & Richards, with a three-year term and two one-year extensions. It was determined that this was in the best interest of the State and of Records Management given the fragile and fluid state of the ongoing recover efforts. General Services has been able to negotiate far better rates than those on the existing contract and the contract arrangements are expected to be completed in the near future, at which time General Services will be reporting back to the Public Records Commission.

Commissioner Cates added that there were savings of a couple hundred thousand dollars as a result of not having to relocate the boxes. Secretary Hargett noted that it is wise to consider the

cost of moving when evaluating an RFP (request for proposal), and asked if there were any questions or comments.

#### **IV. Electronic Records Subcommittee Update**

Secretary Hargett requested an Electronic Records Subcommittee update from Mark Bengel with Finance & Administration.

Mr. Bengel had two items for the committee: first, the review and endorsement of some changes to the records policy; and the second, to give an update on the electronic records training conducted for Records Officers and IT staff.

Mr. Bengel began with the request to add a definition for working papers and the clarification that working papers are not within the scope of electronic records policy. Some emails, such as one stating you will be late to a meeting, would be considered working papers that do not have an RDA (Records Destruction Authorization) and would not need to be retained.

In the existing policy, agencies are instructed to submit their electronic records plan with their information systems plan that is due in June/July. This overwhelmed agencies and they requested to have those two reports separated, allowing them to submit the electronic records plan in December. Thus, the policy should be amended to reflect that change, and the information systems plan could then be removed from the electronic policy glossary.

Mr. Bengel asked if there were any questions regarding the requested policy changes, and when no questions were asked, Secretary Hargett moved that the PRC adopt as its electronic records policy the policy that is adopted by the Information Systems Council, pursuant to Title 4, Chapter 3, Part 55. Secretary Hargett explained that this will be in tandem with ISC (Information Systems Council) so that those policies will be one and the same. A motion was made and seconded, and the policy adaptation was approved.

Secretary Hargett then asked if there were any remaining agencies that had not yet appointed a records officer. Ms. Crawford responded that this information was not readily available, but agreed at the request of Secretary Hargett to send an email to the PRC members with that information.

Mr. Bengel then suggested that F&A (Finance & Administration) update the PRC on the electronic records training and the floor was turned over to Tricia Kitchens with F&A.

Ms. Kitchens discussed the status of training and stated the training material had been completed. Dry-runs of the training had also been completed with General Services and OIR (F&A Office of Information Resources). The first training for agencies is scheduled for June 8<sup>th</sup>, between 8:30 AM and 3:00 PM, in the multimedia room in the Tennessee Tower, and that class is already full. The next class will take place Wednesday, July 20<sup>th</sup>, at the same time, and that class is filling up. The quarterly training for the records management plan will begin October 26<sup>th</sup>, so each quarter there will be a class for new people. They are also working on developing CBT's (computer based training) for regular users in Records Management and State employees, which should be completed soon. They have also established a link on the OIR web site for the Electronic Records Subcommittee, where training information is posted. That site is kept up-to-date and should be helpful to users who need additional information.

Cody York, with the Secretary of State's Office, asked if there was a link to the training information on the General Services Records Management website. Ms. Kitchens replied that there was not a link on the General Services website and added that it should be posted on the intranet, since it is only applicable to State employees. Ms. Crawford agreed to post the link.

## **V. Adjournment**

Secretary Hargett asked if any other items were up for discussion. A motion was entertained to adjourn. It was moved and seconded. The meeting was adjourned.

# Non-Competitive Amendment Request

NOT required for a contract with a federal, Tennessee, or Tennessee local government entity or a grant.

Route a completed request, as one file in PDF format, via e-mail attachment sent to: [AgSprs.Agspr@sstate.tn.us](mailto:AgSprs.Agspr@sstate.tn.us)

**APPROVED**

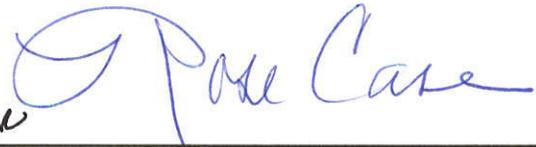
**COMMISSIONER OF FINANCE & ADMINISTRATION**

<b>Request Tracking #</b>	<b>30501-00113</b>	
<b>1. Procuring Agency</b>	<b>Department of State</b>	
<b>2. Contractor</b>	<b>Richards &amp; Richards Office Records Management, Inc</b>	
<b>3. Contract #</b>	<b>25930</b>	
<b>4. Proposed Amendment #</b>	<b>1</b>	
<b>5. Edison ID #</b>	<b>0000075924</b>	
<b>6. Contract Begin Date</b>	<b>7/14/2011</b>	
<b>7. Current Contract End Date</b> – with ALL options to extend exercised	<b>7/13/2014</b>	
<b>8. Proposed Contract End Date</b> – with ALL options to extend exercised	<b>7/13/2016</b>	
<b>9. Current Maximum Contract Cost</b> – with ALL options to extend exercised	<b>\$ 790,870.00</b>	
<b>10. Proposed Maximum Contract Cost</b> – with ALL options to extend exercised	<b>\$ 1,825,000</b>	
<b>11. Office for Information Resources Endorsement</b> – information technology service (N/A to THDA)	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached	
<b>12. eHealth Initiative Support</b> – health-related professional, pharmaceutical, laboratory, or imaging	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached	
<b>13. Human Resources Support</b> – state employee training service	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached	
<b>14. Explanation Need for the Proposed Amendment</b>		
<p>To exercise the options in the original contract to extend the term of service. This is to maintain the secure records storage capacity, document destruction, and options available to state agencies. The state needs a secure records storage facility for agencies to store their records. This allows the state to monitor the life cycle of the records and stay current on the destruction cycle. The current contract is only partially funded for the third year of the agreement and will run short without an increase in appropriation.</p>		
<b>15. Name &amp; Address of the Contractor's Principal Owner(s)</b>		

<b>Request Tracking #</b>	<b>30501-00113</b>
<p align="center">– NOT required for a TN state education institution</p>	
<p align="center"><b>R. Stephen Richards, President &amp; CEO</b>  <b>Richards and Richards Office Records Management, Inc.</b>  <b>1741 Elm Hill Pike</b>  <b>Nashville, TN 37210</b></p>	
<p><b>16. Evidence Contractor's Experience &amp; Length Of Experience Providing the Service</b></p>	
<p>Richards and Richards has been operating in Nashville since 1987, providing records storage in a secure facility. The campus is surrounded by an eight foot high fence and all building entrances are locked at all times. The facility is monitored by cameras and an alarm system. The records are kept on storage racking and tracked by bar code. This provides an added layer of security as agency boxes are not all kept in one area or labeled as to agency or contents. The building has fire suppression systems including in-rack sprinklers. Richards and Richards utilize a detailed bar code tracking software and provide training for state employees in its use. The State has not had any major issues or problems during the two years of the contract with Richards &amp; Richards.</p>	
<p><b>17. Efforts to Identify Reasonable, Competitive, Procurement Alternatives</b></p>	
<p>The Records Management Division has begun looking at alternatives and surveying other companies that may offer these services. Due to the volume of boxes and the cost of removing the records from the current vendor, it will require significant planning and preparation to switch to an alternative solution.</p>	
<p><b>18. Justification</b> – <i>specifically explain why non-competitive negotiation is in the best interest of the state</i></p>	
<p>Due to a flood in 2010, the State's records center was destroyed and the State needed to enter into a contract with a responsible vendor in exigent circumstances. Due to those events, the State's best interests are in keeping costs as low as possible while still providing secure professional storage services. Richards and Richards provide high quality service with pricing at the lower end of the marketplace. Removing the records from the vendor would result in a removal fee per box that would result in hundreds of thousands of dollars. At this time, it would be best to avoid such a cost.</p>	
<p><b>Agency Head Signature and Date</b> – <i>MUST be signed by the ACTUAL agency head as detailed on the current Signature Certification. Signature by an authorized signatory is acceptable only in documented exigent circumstances</i></p>	
<p align="center">   </p>	



## CONTRACT AMENDMENT

<b>Agency Tracking #</b> 30501-00113	<b>Edison ID</b>	<b>Contract #</b> 25930	<b>Amendment #</b> 1		
<b>Contractor Legal Entity Name</b> Richards & Richards Office Records Management, Inc.			<b>Edison Vendor ID</b> 0000075924		
<b>Amendment Purpose &amp; Effect(s)</b> Extension of term and increase in maximum liability					
<b>Amendment Changes Contract End Date:</b> <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO		<b>End Date:</b> 7/13/2016			
<b>TOTAL Contract Amount INCREASE or DECREASE per this Amendment</b> (zero if N/A):			<b>\$ 1,034,130</b>		
<b>Funding —</b>					
<b>FY</b>	<b>State</b>	<b>Federal</b>	<b>Interdepartmental</b>	<b>Other</b>	<b>TOTAL Contract Amount</b>
2012			\$350,000		\$350,000
2013			\$350,000		\$350,000
2014			\$375,000		\$375,000
2015			\$375,000		\$375,000
2016			\$375,000		\$375,000
<b>TOTAL:</b>			<b>\$1,825,000</b>		<b>\$1,825,000</b>
<b>American Recovery and Reinvestment Act (ARRA) Funding:</b> <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO					
<b>Budget Officer Confirmation:</b> 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.  <div style="font-family: cursive; font-size: 1.2em; color: blue;">  </div>			<b>OCR USE</b>		
<b>Speed Chart (optional)</b> SS00000457		<b>Account Code (optional)</b>			

**AMENDMENT ONE  
OF CONTRACT 25930**

This Amendment is made and entered by and between the State of Tennessee, Department of State, hereinafter referred to as the "State" and Richards & Richards Office Records Management, Inc., hereinafter referred to as the "Contractor." This contract is transferred from the Department of General Services to the Department of State in accordance with Executive Order 23, effective October 8, 2012, which transferred the Records Management Division from the Department of General Services to the Department of State. It is mutually understood and agreed by and between said, undersigned contracting parties that the subject contract is hereby amended as follows:

Amendment Section(s)

1. Contract Section A.3.q. is deleted in its entirety and replaced with the following:

q. *End Term Transition Services:*

- (1) The Contractor recognizes that the services provided under this contract are important to the State's overall business and upon its expiration or termination; a successor may assume these services for the State. The Contractor shall assist with an orderly and efficient transfer to such successor. The contractor agrees to provide continuing services as the State transitions to receive such services from the successor. The services required are those defined under this contract.
- (2) Within ninety (90) days of the Contract End Date, whether by 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 term of the contract for the succeeding contract period. The Contractor shall discontinue providing the service or accepting new assignments under the terms of this contract, in a manner and on the date specified by the State, in order to ensure the completion of such service prior to the termination of the contract.
- (3) *End of Contract Removal:* At termination of this contract, the Contractor shall make available for removal all stored records at the Contractor's facility, on a date or dates designated by the State.
- (4) *Permanent Removal:* Permanent Removal is defined as the process where one or more boxes of records is removed by (the direction of) the State from storage at Contractor's records center, never to be returned to the records center. However, the State is not closing its records storage account with Contractor.  
For records permanently removed, in addition to other applicable charges, if
  - (a) at least 50% of the greatest number of boxes stored for the State at Contractor's records center at any one time will still remain in storage at the records center throughout the remainder of the Contract, then no account removal fee will be charged.
  - (b) more than 50% of such boxes will not remain in storage there, then an account removal fee of \$7.50 per cubic foot will be charged on all records removed (at the time of removal) as per the specification in contract section C.3.
- (5) *Account Removal:* Account Removal is defined as the process where all boxes stored for the State are removed by (the direction of) the State from storage at Contractor's records center, never to be returned to the records center. The State's records storage account with Contractor is being closed. Except as specifically provided otherwise below, in addition to other applicable charges, an account removal fee of \$7.50 per cubic foot will be charged on all records removed during an Account Removal. However, in the event that the State:
  - (a) elects no longer to outsource records storage/management to the Contractor, and
  - (b) handles the records storage/management functions solely in-house at the State (and does not allow any other outside contractor or entity to do them),
  - (c) the charges to remove the entire account from the Contractor will not include an account removal fee but will include only the following charges:
    - (i) box access charge\*, \$2.00 per box;

- (ii) departmentalization pull charge, \$1.00 per box;
- (iii) shrink-wrap and pallet charge, \$20 per pallet; and
- (iv) handling/data entry charge\*, \$1.50 per box.

(\*denotes required charge)

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

B.1. This Contract shall be effective for the period beginning July 14, 2011 and ending on July 13, 2016. 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 specific contract period.

3. 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 **One Million, Eight Hundred Twenty-Five Thousand Dollars (\$1,825,000)**. 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, overhead, 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.

4. Contract Section C.5. is deleted in its entirety and replaced with the following:

C.5. Invoice Requirements. The Contractor shall invoice the State only for completed increments of service and for the amount stipulated in section C.3, above, and present said invoices no more often than monthly, with all necessary supporting documentation, to:

Kevin Callaghan, Director of Records Management  
Department of State  
William R. Snodgrass Tower  
312 Rosa L. Parks Avenue, 8<sup>th</sup> Floor  
Nashville, TN 37243  
[Kevin.Callaghan@TN.gov](mailto:Kevin.Callaghan@TN.gov)  
Telephone: 615-253-4566  
Fax: 615-532-9547

a. Each invoice shall clearly and accurately detail all of the following required information (calculations must be extended and totaled correctly).

- (1) Invoice Number (assigned by the Contractor)
- (2) Invoice Date
- (3) Contract Number (assigned by the State)
- (4) Customer Account Name(s): This will include the Department of General Services/Warehouse & Distribution Services, and a number of other agencies, yet to be determined. The Contractor will accommodate agency additions (and deletions as necessary) upon request by the State.

- (5) Customer Account Number(s) (assigned by the Contractor to the above referenced Customers): The Contractor will accommodate agency additions (and deletions as necessary) upon request by the State.
- (6) Contractor Name
- (7) Contractor Federal Employer Identification, Social Security, or Tennessee Edison Registration ID Number Referenced in the Preamble of this Contract.
- (8) Contractor Contract for Invoice Questions (name, phone, and/or fax)
- (9) Contractor Remittance Address
- (10) Description of Delivered Service
- (11) Complete Itemization of Charges, which shall detail the following:
  - i. Service or Milestone Description (including name & title as applicable) of each service invoiced
  - ii. Number of Completed Units, Increments, Hours, or Days as applicable, of each service invoiced
  - iii. Applicable Payment Rate (as stipulated in Section C.3.) of each service invoiced
  - iv. Amount Due by Service
  - v. Total Amount Due for the invoice period
  - vi. An Excel-based backup document of the invoice

b. The Contractor understands and agrees that an invoice under this Contract shall:

- (1) Include only charges for service described in Contract Section A and in accordance with payment terms and conditions set forth in Contract Section C;
- (2) Only be submitted for completed service and shall not include any charge for future work;
- (3) Not include sales tax or shipping charges; and
- (4) Initiate the timeframe for payment (and any discounts) only when the State is in receipt of the invoice and the invoice meets the minimum requirements of this section, C.5.

5. Contract Section E.2. is deleted in its entirety and replaced with the following:

E.2. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this contract shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by EMAIL or facsimile transmission with recipient confirmation. Any such communications, regardless of method of transmission, shall be addressed to the respective party at the appropriate mailing address, facsimile number, or EMAIL address as set forth below or to that of such other party or address, as may be hereafter specified by written notice.

The State:

Kevin Callaghan, Director of Records Management  
Department of State  
William R. Snodgrass Tower  
312 Rosa L. Parks Avenue, 8<sup>th</sup> Floor  
Nashville, TN 37243

[Kevin.Callaghan@TN.gov](mailto:Kevin.Callaghan@TN.gov)  
Telephone: 615-253-4566  
Fax: 615-532-9547

The Contractor:

R. Stephen Richards, President & CEO  
Richards & Richards Office of Records Management, Inc.  
Physical Address:  
1741 Elm Hill Pike

Nashville, TN 37210  
Telephone: 615-242-9600  
Fax: 615-242-2100  
Email: [steve@richardsandrighards.com](mailto:steve@richardsandrighards.com)  
Executive Assistant: Lanita Sexton  
Email: [lsexton@richardsandrighards.com](mailto:lsexton@richardsandrighards.com)

Mailing Address:  
PO Box 17070  
Nashville, TN 37217

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

6. Add Contract Section E.10.

E.10. Contractor Liability: The State accepts that the Contractor's liability shall be associated with and limited to the condition of the boxes transported, stored, received, and handled by the Contractor. The Contractor shall have no liability for the contents of the boxes. The State and the Contractor agree and declare that:

- a. The value of any stored materials, transported, received, handled, or stored hereunder or later received for the account of the State shall not exceed \$2.00 per cubic foot;
- b. The liability of the Contractor to the State shall be limited to damages or loss caused by the Contractor's gross negligence and shall not exceed the limits set forth in section a., above. Additional insurance may be procured by the Contractor, if available, at established rates when requested in writing by the State. In no way shall the contractor be liable for any consequential or incidental damages. Such limitation of liability shall apply irrespective of the cause of loss, damage, or destruction.
- c. The stored materials are placed in storage at the exclusive risk of the State for damage from fire, leakage, heat, vermin, gradual deterioration, acts of God, or the public enemy, labor disputes, riots, or any cause beyond the direct control of the Contractor.
- d. Any claim against the Contractor must be made in writing and delivered to the Contractor by registered mail not later than the earlier of: thirty (30) days after return of stored materials to the State, or thirty (30) days from the date the State becomes aware of, or should become aware of, a claim against the Contractor.
- e. The Contractor shall not be held liable for any representation, understanding, or agreement unless in writing and specifically incorporated into this Contract.

Required Approvals. The State is not bound by this Amendment until it is signed by the contract parties and approved by appropriate officials in accordance with applicable Tennessee laws and regulations (depending upon the specifics of this contract, said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).

Amendment Effective Date. The revisions set forth herein shall be effective July 1, 2013. All other terms and conditions of this Contract not expressly amended herein shall remain in full force and effect.

**IN WITNESS WHEREOF,**

**RICHARDS & RICHARDS OFFICE RECORDS MANAGEMENT, INC.:**



4/16/2013

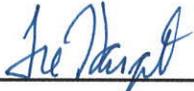
CONTRACTOR SIGNATURE

DATE

R. Stephen Richards, President & CEO

PRINTED NAME AND TITLE OF SIGNATORY (above)

DEPARTMENT OF STATE:



4/24/13

TRE HARGETT, TENNESSEE SECRETARY OF STATE

DATE

pc



GENERAL ASSEMBLY OF THE STATE OF TENNESSEE  
FISCAL REVIEW COMMITTEE

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

Sen. Bill Ketron, Chairman  
Senators

Douglas Henry            Reginald Tate  
Brian Kelsey             Ken Yager  
Eric Stewart  
Randy McNally, *ex officio*  
Lt. Governor Ron Ramsey, *ex officio*

Rep. Curtis Johnson, Vice-Chairman  
Representatives

Tommie Brown            David Shepard  
Jim Coley                 Tony Shipley  
Charles Curtiss            Curry Todd  
Johnny Shaw                Mark White  
Charles Sargent, *ex officio*  
Speaker Beth Harwell, *ex officio*

MEMORANDUM

TO:                    The Honorable Mark Emkes, Commissioner  
                          Department of Finance and Administration

FROM:                Bill Ketron, Chairman, Fiscal Review Committee  
                          Curtis Johnson, Vice-Chairman, Fiscal Review Committee

DATE:                May 12, 2011

SUBJECT:            **Contract Comments**  
                          (Fiscal Review Committee Meeting 5/9/11)

BK CJ

**RFS# 321.17-00111 (Edison # 25930)**  
**Department: General Services**  
**Division: Records Management**  
**Vendor: Richards & Richards Office Records Management, Inc.**  
**Summary: The proposed three-year contract is for records storage services with a term beginning July 14, 2011, and ending July 13, 2014, with the option to extend in one-year increments for a total of five years.**  
**Proposed maximum liability: \$1,054,500**

After review, the Fiscal Review Committee voted to approve the contract amendment with the stipulation that the maximum liability be reduced by 25 percent resulting in a total maximum liability of \$790,870.

cc: The Honorable Steven Cates, Commissioner  
      Mr. Robert Barlow, Director, Office of Contracts Review



STATE OF TENNESSEE  
DEPARTMENT OF GENERAL SERVICES

OFFICE OF SERVICES CONTRACTING

24TH FLOOR, WILLIAM R. SNODGRASS TENNESSEE TOWER, 312 ROSA L. PARKS BLVD., NASHVILLE, TENNESSEE 37243  
(615) 253-7980 • Fax (615) 532-6257

TO: Mr. Jim White, Executive Director, Fiscal Review Committee  
FROM: Paul Hauser, General Services – Services Contracting Division  
DATE: April 25, 2011  
SUBJECT: Approval Request from Fiscal Review Committee for Non-Competitive Contract –  
Richards & Richards Office Records Management, Inc.

Please review the enclosed documents, which formally request approval from the Fiscal Review Committee for a Non-Competitive Contract between the State of Tennessee, Department of General Services, and Richards & Richards Office Records Management, Inc.

Richards & Richards provides records storage services. General Services is requesting a three year term, with options for two additional 1-year extensions.

A description of the need and justification for Non-Competitive procurement are contained in the attached *Non-Competitive Contract Request*, signed by Commissioner Cates.

Additional supportive documentation includes:

- FRC's Supplemental Documentation Form
- Non-Competitive Amendment Request
- Richards & Richards marketing information (as introductory material)
- Pro forma contract

Please contact me at 253-7980 or [paul.hauser@tn.gov](mailto:paul.hauser@tn.gov), if additional clarification is needed.

Supplemental Documentation Required for  
Fiscal Review Committee

*Contact Name:	Paul Hauser	*Contact Phone:	253-7980		
*Original Contract Number:	NA – This is a new contract.	*Original RFS Number:	NA		
Edison Contract Number: <i>(if applicable)</i>	#025930	Edison RFS Number: <i>(if applicable)</i>	NA		
*Original Contract Begin Date:	7-14-2011	*Current End Date:	7-13-2014		
Current Request Amendment Number: <i>(if applicable)</i>	NA				
Proposed Amendment Effective Date: <i>(if applicable)</i>	NA				
*Department Submitting:	General Services				
*Division:	Records Management				
*Date Submitted:	April 25, 2011				
*Submitted Within Sixty (60) days:	Yes				
<i>If not, explain:</i>					
*Contract Vendor Name:	Richards & Richards Office Records Management, Inc.				
*Current Maximum Liability:	NA				
*Anticipated Contract Allocation by Fiscal Year: <i>(to be Shown on Contract Summary Sheet)</i>					
FY: 2012	FY: 2013	FY: 2014	FY: 2015	FY	FY
\$336,854	\$351,500	\$351,500	\$14,646	\$	\$
*Current Total Expenditures by Fiscal Year of Contract: <i>(attach backup documentation from STARS or FDAS report)</i>					
FY:	FY:	FY:	FY:	FY	FY
NA	NA	NA	NA	\$	\$
<b>IF</b> Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:					
<b>IF</b> surplus funds have been carried forward, please give the reasons and provide the authority for the carry forward provision:					
<b>IF</b> Contract Expenditures exceeded Contract Allocation, please give the reasons and explain how funding was acquired to pay the overage:					

Supplemental Documentation Required for  
Fiscal Review Committee

*Contract Funding Source/Amount:	State:		Federal:	
Interdepartmental:		Dependent on negotiations: Max anticipated to be no greater than \$1,100,000 for first three years (\$1,800,000 for five years)	<i>Other:</i>	
If "other" please define:				
Dates of All Previous Amendments or Revisions: <i>(if applicable)</i>		Brief Description of Actions in Previous Amendments or Revisions: <i>(if applicable)</i>		
NA		NA		
Method of Original Award: <i>(if applicable)</i>				
*What were the projected costs of the service for the entire term of the contract prior to contract award?				

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: 2012	FY: 2013	FY: 2014	FY: 2015	FY:
<b>Storage: estimated average</b>	\$312,316	\$327,000	\$327,000	14,684	
<b>Retrieval &amp; restock services: estimated average</b>	\$11,000	\$11,000	\$11,000	-	
<b>Processing of new storage inventory</b>	\$12,000	\$12,000	\$12,000	-	
<b>Emergency Records Retrieval</b>	\$1,500	\$1,500	\$1,500	-	

**Additional services, such as ad hoc reporting, moisture meter checks, shredding, incineration, and/or other permanent removal may be requested, though at as yet undetermined volumes.**

**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: 2012	FY: 2013	FY: 2014	FY: 2015	FY:
<b>Avoidance of transfer to alternate location</b>	\$270,000	NA	NA	NA	
<b>Avoidance of further risk associated with delay of database mgmt</b>	Dollar cost indeterminate	Dollar cost indeterminate	Dollar cost indeterminate	Dollar cost indeterminate	

**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.**

Our research indicates there is one other local vendor – Iron Mountain – capable of delivering the services the State requires. We believe their rates are comparable with Richards & Richards’. However, the transfer of the records to a new vendor creates a significant added cost that an RFP cannot eliminate. Transportation of boxes would cost approximately \$270,000. The cost of initial setup and creation of a database will be a minimum of \$130,000. These are both costs that can be avoided by entering into a non-competitive negotiation. In addition, justification provided in the Non-Competitive Contract Request indicate substantial risk that is real, but which cannot be quantified for the purpose of this request. Conversion of the records database, which would be required in a transfer of records to a new vendor, would create a costly delay the State cannot afford.

# Non-Competitive Contract Request

NOT required for a contract with a federal, Tennessee, or Tennessee local government entity or a grant.  
Route a completed request, as one file in PDF format, via e-mail attachment sent to:  
[Agsprs.Agsprs@state.tn.us](mailto:Agsprs.Agsprs@state.tn.us)

APPROVED

COMMISSIONER OF FINANCE & ADMINISTRATION

Request Tracking #	32117-00111	
Contracting Agency	Department of General Services	
Proposed Contractor	Richards & Richards	
Proposed Contract Period – with ALL options to extend exercised The proposed contract start date shall follow the approval date of this request.	July 14, 2011 – July 13, 2014, plus two 1-year options	
Maximum Contract Cost – with ALL options to extend exercised	\$ 1,757,500 <i>SAC</i>	
Office for Information Resources Endorsement – information technology service (N/A to THDA)	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached	
eHealth Initiative Support – health-related professional, pharmaceutical, laboratory, or imaging service	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached	
Human Resources Support – state employee training service	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached	
Has the contracting agency bought the subject service before? <input type="checkbox"/> NO <input checked="" type="checkbox"/> YES, it was procured by... <input type="checkbox"/> RFP <input type="checkbox"/> Another Competitive Method <input checked="" type="checkbox"/> Non-Competitive Negotiation		
Service Description – brief <u>summary</u> only – do NOT restate the proposed scope of service <b>Maintain and store State archive records; continue to assist State in building an accurate database of its records; applicable reporting.</b>		
Explanation of Need for or Requirement Placed on the State to Acquire the Service <b>The Department of General Services has the statutory responsibility to maintain the State's archived records until each record is due for destruction or permanent retention in accordance with the State's Records Disposition Authority (RDA). In May 2010, during the flood that was catastrophic for Nashville and Middle Tennessee, the Department's Records warehousing facility was flooded, and many of the records were badly damaged and lost the outside identifying information (bar code labels). Under the emergency, the Department had approximately 26,000 boxes that were so badly damaged that the recovery and restoration of the records could only be accomplished by shipping the boxes to a restoration facility in the state of Texas (the state of</b>		

Request Tracking #	32117-00111
<p>Tennessee has a contract with Belfor for such recovery and restoration). The Department also contracted with Richards &amp; Richards for a one (1)-year period to have the records that had not been under water, approximately 120,000 boxes, immediately removed, stored and maintained in the Richards &amp; Richards facility in Nashville. The year will conclude, and the contract will expire on July 13, 2011.</p> <p>The Department is still in a lengthy and complicated recovery process, which is likely to continue for at least three (3) years. That process includes attempting to have the damaged boxes in Texas restored and returned to Tennessee, to begin rebuilding our inventory of those records and identifying boxes that can be destroyed under existing RDA's, and, at the instruction of the Public Records Commission, beginning a complete review of the State's RDAs. In the case of several thousand boxes (many still to be restored), the Department will have to manually identify the source of each box of records. Because of the recreation of the records inventory on a new database system, it has become necessary to embark on a training program for the State's over 200 records officers that will take many months to complete.</p> <p>In order not to interrupt and delay this critical recovery process and set back the progress that has been made in the last year, it is in the utmost best interest of the State that the records continue to be stored in the same location until this multi-year process can be completed.</p>	
<p><b>Name &amp; Address of the Contractor's Principal Owner(s)</b> – <i>NOT required for a TN state education institution</i></p> <p><b>R. Stephen and Jane B. Richards, PO Box 17070, Nashville, TN 37217</b></p>	

**Evidence Contractor's Experience & Length Of Experience Providing the Service**

Richards & Richards was founded in 1987 in Nashville, TN. It is the oldest commercial records management company in the State of Tennessee. It currently has 1,000,000 cubic feet of records under management and serves over 1,800 clients, including 85% of the law firms in Nashville. Richards & Richards currently owns and operates a 251,000 sq. ft facility on Elm Hill Pike. (see additional company information attached)

**Efforts to Identify Reasonable, Competitive, Procurement Alternatives**

The Department believes that it is in the State's best interest at this time to pursue non-competitive negotiation with Richards & Richards, even if there are other potential Contractors that could provide this service, for the reasons stated below in the Justification section of this request.

**Justification** – specifically explain why non-competitive negotiation is in the best interest of the state

- Full recovery of the State's records management system from the May 2010 flood will take at least three (3) years.
- Significant disruption and delay in the records management recovery process will occur if storage and management of the records is given to another Contractor prior to completion of the recovery process.
- Significant unnecessary expense will be incurred by the State if the recovery process is halted during this critical stage and the Department has to retrieve and transfer the records to another Contractor.
- The Department is at a critical stage in the process of recreating and rebuilding the State's database of archived records.
- The Richards & Richards database transfer was not 100% successful when moved from Cowan St., as is often the case when data is transferred from one database to another. There were various incompatible data formats and some barcodes that were unrecognizable. As a result, there are numerous "unknown" boxes in the Richards & Richards database. The Department has been working with Richards & Richards since the flood to reconcile these discrepancies and fill in all the missing information, but it is far from complete. It is very likely that changing to a new Contractor with a different database would repeat that cycle and put the Department back at square one with its reconciliation process.
- Halting the ongoing recovery efforts and transportation and re-storage of the records, including creating a 3<sup>rd</sup> database with a new contractor at this time, could result in damage to the credibility of the inventory database that has been constructed to date.
- The cost to pull the records from the existing Contractor's shelves and place on the dock for pick up would be two dollars (\$2.00) per box x approximately 120,000 boxes = \$240,000.
- The cost to transport the records from the dock of the existing contractor to a new Contractor facility is unknown; however, the Department paid \$143,000 dollars to Richards & Richards to transport the records from Cowan St. to its location on Elm Hill Pike.
- There are also indirect costs associated with re-training. The Department has been working for months to obtain all the necessary security forms for each user submitted to Richards & Richards and the role-mapping completed, followed by the necessary training for the 200 State Records Officers and Coordinators to utilize the Richards & Richards database. This process takes many months and would have to be repeated with any new database.
- This matter was discussed at the last Public Records Commission meeting, and the idea was approved by both the chairman of the Commission, Secretary of State Tre Hargett, and member Commissioner Steven Cates, contingent upon approval by the Comptroller.

**Agency Head Signature and Date** – *MUST be signed by the ACTUAL agency head as detailed on the current Signature Certification. Signature by an authorized signatory is acceptable only in documented exigent circumstances*

*AT Cut* 4/16/11



# CONTRACT

(fee-for-service contract with an individual, business, non-profit, or governmental entity of another state)

<b>Begin Date</b> 7/14/11	<b>End Date</b> 7/13/14	<b>Agency Tracking #</b> 32117-00111	<b>Edison Record ID</b> 25930
<b>Contractor Legal Entity Name</b> Richards & Richards Office Records Management, Inc.			<b>Edison Vendor ID</b> 0000075924

**Service Caption (one line only)**  
Storage and management of the State's records

<b>Subrecipient or Vendor</b> <input type="checkbox"/> Subrecipient <input checked="" type="checkbox"/> Vendor	<b>CFDA #</b>
---	---------------

Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2012			\$350,000.00		\$350,000.00
2013			\$350,000.00		\$350,000.00
2014			\$90,870.00		\$90,870.00
<b>TOTAL:</b>			<b>\$790,870.00</b>		<b>\$790,870.00</b>

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

**Ownership/Control**

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

**Selection Method & Process Summary (mark the correct response to confirm the associated summary)**

RFP    The procurement process was completed in accordance with the approved RFP document and associated regulations.  
 Competitive Negotiation    The predefined, competitive, impartial, negotiation process was completed in accordance with the associated, approved procedures and evaluation criteria.  
 Alternative Competitive Method    The predefined, competitive, impartial, procurement process was completed in accordance with the associated, approved procedures and evaluation criteria.  
 Non-Competitive Negotiation    The non-competitive contractor selection was completed as approved, and the procurement process included a negotiation of best possible terms & price.  
 Other    The contractor selection was directed by law, court order, settlement agreement, or resulted from the state making the same agreement with all interested parties or all parties in a predetermined "class."

**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.

*Ronald A. Plumb*

OCR USE - FA

**FA1236198**

<b>Speed Chart (optional)</b>	<b>Account Code (optional)</b>	<b>Contract #</b>
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**CONTRACT  
 BETWEEN THE STATE OF TENNESSEE,  
 DEPARTMENT OF GENERAL SERVICES  
 AND  
 RICHARDS & RICHARDS OFFICE RECORDS MANAGEMENT, INC.**

This Contract, by and between the State of Tennessee, Department of General Services, hereinafter referred to as the "State" and Richards & Richards Office Records Management, Inc., hereinafter referred to as the "Contractor," is for the provision of State Records Storage and Management Services, as further defined in the "SCOPE OF SERVICES."

The Contractor is a for-profit corporation.  
 Contractor Federal Employer Identification Number: 62-1397961  
 Contractor Place of Incorporation or Organization: Tennessee

**A. SCOPE OF SERVICES:**

- A.1. The Contractor shall provide all service and deliverables as required, described, and detailed herein and shall meet all service and delivery timelines as specified by this Contract.
- A.2. The Contractor shall, as applicable:
  - Ensure secure storage of State of Tennessee records
  - Establish and maintain an electronic database of State records
  - Allow, by authorized State staff, pickup and delivery of records
  - Provide appropriate space at its location, for authorized State staff to review records
  - Deliver trainings that, at a minimum, prepare assigned State staff for access to and use of the electronic database
- A.3. More specifically, Contractor deliverables shall include the following:
  - a. *Account Representation:* The Contractor shall appoint a representative for the State, as a primary point of contact who shall ensure a high level of responsiveness to the State's records storage needs.
  - b. *Processing of State Records containers:* The Contractor shall work with the State to ensure complete and accurate processing of State Records containers. Processing shall consist of acceptance, labeling, input to its electronic database, and stocking of containers. Electronic inventory is to be updated every 24 hours. Database fields shall include:
    - (1) Barcode (containing no leading zeroes)
    - (2) Foremost Number (if applicable)
    - (3) Contents Start Date
    - (4) Contents End Date
    - (5) Contents Range Start (if applicable)
    - (6) Contents Range End (if applicable)
    - (7) Description
    - (8) Records Disposition Authority (RDA) number, which shall be a required field of ten (10) alpha/numeric characters.
    - (9) Agency Name, which shall be populated by drop-down selection containing Agency ID
    - (10) Agency ID (for example, 321.00)
    - (11) Department ID (for example, 32101)
    - (12) Date Added to Storage
    - (13) Date Removed from Storage (if applicable)
    - (14) Edit Date (if applicable)
    - (15) Editor ID (if applicable)
    - (16) Container Type
    - (17) Status
    - (18) Location
    - (19) Total Number of Boxes
    - (20) Detail of boxes damaged during transfer, and subsequently replaced
    - (21) RDA-required destruction date



- c. The Contractor shall exercise good faith cooperation with the State to ensure improvement of the records management database. This shall include, but not necessarily be limited to capture and use of the State's RDA numbers, in a database field that:
- (1) Allows drop-down functionality;
  - (2) Accommodates a 10-digit alpha-numeric input; and
  - (3) Requires RDA input before a data save is allowed.
- d. *Barcoding of "Recovered" containers:* Following the May 2010 flooding, a number of boxes were shipped to a records recovery Contractor. As those are returned, the Contractor will be required to:
- (1) Assign a barcode (as is required for all boxes);
  - (2) Include a separate indicator that the container was "Recovered";
  - (3) Record in its electronic database any identified and barcoded "Foremost" number labeled on each container. This Foremost number should be recorded in the Contractor's database as an "Alternate ID" to the Contractor's unique identifier.
- e. *Records Access:* In the course of daily operations, the Contractor will not be required to pickup storage containers from nor deliver them to State office locations. These will remain State responsibilities. However, the Contractor shall make accommodations for the following:
- (1) State employee retrieval of storage containers, when requested and authorized by the established method not later than 2 PM Central time, by 8 AM on the next business day.
  - (2) Emergency requests, when submitted and authorized by the established method, shall be processed on the day of request.
  - (3) New and return storage container submissions, when received by 2 PM Central time, shall be systematically processed and ready for physical receipt by 8 AM on the next business day.
  - (4) Applicable and appropriate space, at the Contractor's facility, for the purpose of viewing retrieved records, by authorized individuals. Accommodation shall include, at no additional cost to the State:
    - i. table or desk and chair(s)
    - ii. access to a copier, fax machine, laptop or PC with internet access, and scanner
  - (5) Emergency weekend retrieval when appropriately authorized.
  - (6) Applicable logs and receipts are maintained, detailing pickups and deliveries, for verification and audit purposes.
- f. *Restocking:* The Contractor shall accommodate the State's demand for return storage containers, by restocking as applicable and appropriate.
- g. *Standard Report Requirements:* The Contractor shall ensure the following reporting functionality:
- (1) A database download/export shall be available to State staff weekly; its availability shall be likewise weekly communicated to designated State staff.
  - (2) A standard inventory report shall be available to authorized State users, at no additional cost to the State, via the internet, and shall include all fields specified under Contract Section A.3.b.
  - (3) A standard RDA report shall be available to authorized State users, at no additional cost to the State, via the internet.
  - (4) Users shall have the ability to search, and to narrow searches, by any field contained in the electronic database.
  - (5) Reports shall be printable.
- h. *Storage Containers:* The Contractor shall accommodate the State's requirements relative to storage container type, size, and total number. Containers in use by the State are corrugated cardboard, and inventory varies by size.
- i. *File Tracking:* Expired operational policies and flood-related cleanup have created the potential for loose files to be returned to storage from agencies or from the records restoration contractor, without any indication as to which storage box they belong. Current policy prohibits retrieval of individual files. However, residual loose files will exist, and the Contractor will be required, to allow access by appropriate State staff, to research their correct storage, and to file accordingly.

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- j. *Pallet Sort Space:* The Contractor shall provide floor space to accommodate at least 30 pallets, for a period of time not currently defined, but expected to last not longer than two years. This space will be utilized as long as shipments are being received from the records restoration Contractor. Because some of the pallet contents are not yet identified, State records management staff will use this space to stage, verify, and sort pallets upon arrival from the records restoration contractor.
- k. *Training:* With input from the Warehouse and Distribution Services Division management team, the Contractor shall develop instruction on use of its records electronic database. The Contractor shall then deliver training to assigned State Records Officers and Records Coordinators, which shall meet the following requirements:
- (1) Training shall be provided at no cost to the State, either at the Contractor's facility or online.
  - (2) Method of delivery – computer-based vs. classroom – shall be left to the discretion of the Contractor, in consultation with Warehouse and Distribution Services Division management.
  - (3) Training shall be delivered initially to all Records Officers and Coordinators, and then as-needed for newly assigned Officers and Coordinators, or as the database changes.
  - (4) Records Officers and Coordinators shall be required to attend training prior to being authorized to access the system.
  - (5) Training material shall be reviewed and approved by Records Management staff before initial training begins. Training material will be added to the electronic database instruction material as needed.
- l. *Permanent Removal of Records:* The Contractor shall have the capacity, through an acceptable report, to certify permanent removal of State records. This report must contain the following data elements:
- (1) Original date and time the container was entered to storage
  - (2) Date, time, and User ID for any check out
  - (3) Date, time, and User ID for any check-in
  - (4) Date, time, and User ID for any electronic document modification (when the container information is modified in the electronic database)
  - (5) Date, time, and User ID for permanent removal
  - (6) Once a container is permanently removed, those documents should be "hidden" from the rest of the inventory, yet still documented for permanent record.
  - (7) An agency should be able to query for permanently removed containers.
- m. *Lost Boxes/Files:* The Contractor agrees and commits to the following:
- (1) Any box or file not located and delivered in the expected timeline will be considered by the State to be lost or stolen.
  - (2) The Contractor shall have a written policy/resolution plan for lost or stolen storage containers.
  - (3) The policy/plan must include, but is not limited to, notifications, location, escalation, timelines and status updates to both the State contract administrator and the applicable State agency.
- n. *Secure Storage and Facility Standards:* The Contractor shall ensure that its storage facility's infrastructure is adequate for the purpose of storing State of Tennessee records, by requiring, at a minimum:
- (1) Solid construction;
  - (2) Secure loading and unloading areas;
  - (3) Floors capable of supporting at least 300 pounds per square foot;
  - (4) Floors above ground level;
  - (5) Walls rated fire resistant;
  - (6) Adequate fire suppression systems; the facility and the storage room shall have fire detection devices and alarms installed and fully operational;
  - (7) Compliance with all applicable standards required by the National Fire Protection Association;
  - (8) It shall not be located in close proximity to hazardous materials or in an area in which there is a risk for fire, smoke, explosion, flood, seismic activity or wind damage;



- (9) Adequate security systems in place 24 hrs per day, every day, which shall include an efficient intrusion alarm system covering at least all doors, windows, vents, etc., that could provide access into the facility;
- (10) Motion sensors to prevent theft;
- (11) All fire, intrusion alarms are electronically linked to a 24 hour/7day response service;
- (12) Adequate capacity for current and future State needs;
- (13) A written disaster recovery plan for any reasonably possible natural or manmade disaster;
- (14) Applicable and adequate rodent and insect protection;
- (15) A secure and efficient locking system, for the facility in general and the storage area in particular.

o. *Facility Visitors:* The Contractor shall ensure that its facility is adequately secure by requiring the following at a minimum:

- (1) Access to the storage area must be strictly limited with identification tags supplied by the Contractor for its staff.
- (2) Any facility visitors must sign in/out and logs must be maintained.
- (3) Visitors must be escorted at all times. The visitor logs must be available for viewing by applicable State authority(ies).
- (4) The Contractor shall provide for on-site review of State records stored at the Contractor's facility during normal business hours. No additional fees, other than any standard retrieval, photocopying, or fax transmission fees may be assessed for on-site review of records.

p. *Optional Services:* The Contractor shall make available to the State, upon request, the following optional services:

- (1) Destruction of records by shredding.
- (2) Delivery of State records storage containers.

q. *End Term Transition Services:*

- (1) The Contractor recognizes that the services provided under this contract are important to the State's overall business and upon its expiration or termination, a successor may assume these services for the State. The Contractor shall assist with an orderly and efficient transition to such successor. The Contractor agrees to provide continuing services as the State transitions to receive such services from the successor. The services required are those defined under this contract.
- (2) Within ninety (90) days of the Contract End Date, whether by 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 term of the contract for the succeeding contract period. The Contractor shall discontinue providing the service or accepting new assignments under the terms of this contract, in a manner and on the date specified by the State, in order to ensure the completion of such service prior to the termination of the contract.
- (3) *Permanent Removal:* At termination of this contract, the Contractor shall make available for removal all stored records at the Contractor's facility, on a date or dates designated by the State. Permanent Removal shall be completed at the rate specified in contract section C.3.

A.4. The Contractor shall maintain a database – as required under Contract Section A.3.c. – all State records data received, generated, recorded, or otherwise produced during the term of this Contract, and shall provide a methodology satisfactory to the State for archiving and retrieving the data, at no additional cost to the State.

- a. At contract termination, all historical data shall remain the property of the State and shall be returned to the State, at no additional cost to the State, within 90 days of termination, in an electronic database format acceptable to the State (i.e., Excel, Access, etc.).

## **B. CONTRACT PERIOD:**

- B.1. This Contract shall be effective for the period beginning July 14, 2011 and ending on July 13, 2014. 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.

- B.2. Term Extension. The State reserves the right to extend this Contract for an additional period or periods of time representing increments of no more than one year and a total contract term of no more than five (5) years, provided that such an extension of the contract term is effected prior to the current, contract expiration date by means of a contract amendment. If a term extension necessitates additional funding beyond that which was included in the original Contract, an increase of the State's maximum liability will also be effected through contract amendment, and shall be based upon payment rates provided in the original Contract.

**C. PAYMENT TERMS AND CONDITIONS:**

- C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed **Seven Hundred Ninety Thousand, Eight Hundred Seventy Dollars (\$790,870)**. 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.

- C.2. Compensation Firm. The payment rates and the maximum liability of the State under this Contract are firm for the duration of the Contract and are not subject to escalation for any reason unless amended.
- C.3. Payment Methodology. The Contractor shall be compensated based on the payment rates herein for units of service authorized by the State in a total amount not to exceed the Contract Maximum Liability established in section C.1.
- a. The Contractor's compensation shall be contingent upon the satisfactory completion of units, milestones, or increments of service defined in section A.

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

Contract Reference	Cost Item Description	State's Cost				
		Year 1: July 14, 2011 through July 13, 2012	Year 2: July 14, 2012 through July 13, 2013	Year 3: July 14, 2013 through July 13, 2014	Year 4: July 14, 2014 through July 13, 2015	Year 5: July 14, 2015 through July 13, 2016
1. A.3.h.: Monthly charge to State for storage of inventory:	1.0 cubic foot container	\$0.159/container	\$0.159/container	\$0.159/container	\$0.159/container	\$0.159/container
	1.5 cubic foot container	\$0.2385/container	\$0.2385/container	\$0.2385/container	\$0.2385/container	\$0.2385/container
	2.0 cubic foot container	\$0.318/container	\$0.318/container	\$0.318/container	\$0.318/container	\$0.318/container
	2.5 cubic foot container	\$0.3975/container	\$0.3975/container	\$0.3975/container	\$0.3975/container	\$0.3975/container
2. A.3.e.(1)	All-inclusive cost to retrieve a storage container	\$2.00/container	\$2.00/container	\$2.00/container	\$2.00/container	\$2.00/container
3. A.3.f.	All-inclusive cost to restock a storage container	\$2.00/container	\$2.00/container	\$2.00/container	\$2.00/container	\$2.00/container
4. A.3.b., A.3.d.	Cost of initial processing of a container into storage, including bar coding, data entry, labeling, handling, and any other steps associated with processing a single new storage container	\$2.00/container	\$2.00/container	\$2.00/container	\$2.00/container	\$2.00/container
5. A.3.e.(2)	Emergency retrieval of storage container (after hours, weekends, or holidays)	\$125.00/container	\$125.00/container	\$125.00/container	\$125.00/container	\$125.00/container
6. A.3.l., A.3.q.(3)	Permanent Removal and certification of removal of a container from the Contractor's facility.	\$7.25/cubic foot				
7. A.3.i.	File Tracking	\$0.02/file	\$0.02/file	\$0.02/file	\$0.02/file	\$0.02/file
8. A.3.p.(1)	Shredding, per cubic foot	\$1.00/cu. ft.				
9. A.3.e.(1)	Retrieval of container for destruction	\$2.00/container	\$2.00/container	\$2.00/container	\$2.00/container	\$2.00/container
10. A.3.p.(2)	Delivery Fee	\$10/1 <sup>st</sup> box and \$1.00 each additional box	\$10/1 <sup>st</sup> box and \$1.00 each additional box	\$10/1 <sup>st</sup> box and \$1.00 each additional box	\$10/1 <sup>st</sup> box and \$1.00 each additional box	\$10/1 <sup>st</sup> box and \$1.00 each additional box



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- C.4. Travel Compensation. The Contractor shall not be compensated or reimbursed for travel, meals, or lodging.
- C.5. Invoice Requirements. The Contractor shall invoice the State only for completed increments of service and for the amount stipulated in section C.3, above, and present said invoices no more often than monthly, with all necessary supporting documentation, to:

Ron Plumb, Director Office of Financial Management  
Department of General Services  
665 Mainstream Dr., 2<sup>nd</sup> Floor  
Nashville, TN 37243  
[Ron.plumb@tn.gov](mailto:Ron.plumb@tn.gov)  
Telephone) 615-532-7272  
Fax) 615-532-2305

Stacey Hooper, Director, Warehousing & Distribution Division  
6500 Centennial Blvd.  
Nashville, TN 37243-8020  
[Stacey.hooper@tn.gov](mailto:Stacey.hooper@tn.gov)  
Telephone) 615-350-3373  
Fax) 615-350-3321

- a. Each invoice shall clearly and accurately detail all of the following required information (calculations must be extended and totaled correctly).
- (1) Invoice Number (assigned by the Contractor)
  - (2) Invoice Date
  - (3) Contract Number (assigned by the State)
  - (4) Customer Account Name(s): This will include the Department of General Services/Warehouse & Distribution Services, and a number of other agencies, yet to be determined. The Contractor will accommodate agency additions (and deletions as necessary) upon request by the State.
  - (5) Customer Account Number(s) (assigned by the Contractor to the above-referenced Customers): The Contractor will accommodate agency additions (and deletions as necessary) upon request by the State.
  - (6) Contractor Name
  - (7) Contractor Federal Employer Identification, Social Security, or Tennessee Edison Registration ID Number Referenced in Preamble of this Contract
  - (8) Contractor Contact for Invoice Questions (name, phone, and/or fax)
  - (9) Contractor Remittance Address
  - (10) Description of Delivered Service
  - (11) Complete Itemization of Charges, which shall detail the following:
    - i. Service or Milestone Description (including name & title as applicable) of each service invoiced
    - ii. Number of Completed Units, Increments, Hours, or Days as applicable, of each service invoiced
    - iii. Applicable Payment Rate (as stipulated in Section C.3.) of each service invoiced
    - iv. Amount Due by Service
    - v. Total Amount Due for the invoice period
    - vi. An Excel-based backup document of the invoice
- b. The Contractor understands and agrees that an invoice under this Contract shall:
- (1) include only charges for service described in Contract Section A and in accordance with payment terms and conditions set forth in Contract Section C;
  - (2) only be submitted for completed service and shall not include any charge for future work;
  - (3) not include sales tax or shipping charges; and



- (4) initiate the timeframe for payment (and any discounts) only when the State is in receipt of the invoice, and the invoice meets the minimum requirements of this section C.5.
- C.6. Payment of Invoice. A payment by the State shall not prejudice the State's right to object to or question any payment, invoice, or matter in relation thereto. A payment by the State shall not be construed as acceptance of any part of the work or service provided or as approval of any amount invoiced.
- C.7. Invoice Reductions. The Contractor's invoice shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by the State, on the basis of audits conducted in accordance with the terms of this Contract, not to constitute proper remuneration for compensable services.
- C.8. Deductions. The State reserves the right to deduct from amounts, which are or shall become due and payable to the Contractor under this or any contract between the Contractor and the State of Tennessee any amounts, which are or shall become due and payable to the State of Tennessee by the Contractor.
- C.9. Prerequisite Documentation. The Contractor shall not invoice the State under this Contract until the State has received the following documentation properly completed.
- a. The Contractor shall complete, sign, and present to the State an "Authorization Agreement for Automatic Deposit (ACH Credits) Form" provided by the State. By doing so, the Contractor acknowledges and agrees that, once said form is received by the State, 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).
  - b. The Contractor shall complete, sign, and present to the State a "Substitute W-9 Form" provided by the State. The taxpayer identification number detailed by said form must agree with the Contractor's Federal Employer Identification Number or Tennessee Edison Registration ID referenced in this Contract.

**D. STANDARD TERMS AND CONDITIONS:**

- D.1. Required Approvals. The State is not bound by this Contract until it is signed by the contract parties and approved by appropriate officials in accordance with applicable Tennessee laws and regulations (depending upon the specifics of this contract, said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).
- D.2. Modification and Amendment. This Contract may be modified only by a written amendment signed by all parties hereto and approved by both the officials who approved the base contract and, depending upon the specifics of the contract as amended, any additional officials required by Tennessee laws and regulations (said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).
- 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 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, each shall contain, at a minimum, sections of this Contract below pertaining to "Conflicts of Interest," "Nondiscrimination," and "Records" (as identified by the section headings). Notwithstanding any use of approved subcontractors, the Contractor shall be the prime contractor and shall be responsible for all work performed.
- D.6. 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.

The Contractor acknowledges, understands, and agrees that this Contract shall be null and void if the Contractor is, or within the past six months has been, an employee of the State of Tennessee or if the Contractor is an entity in which a controlling interest is held by an individual who is, or within the past six months has been, an employee of the State of Tennessee.

- 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 handicap or 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 *Tennessee Code Annotated*, Section 12-4-124, *et seq.*, addressing the use of illegal immigrants in the performance of any Contract to supply goods or services to the state of Tennessee, shall be a material provision of this Contract, a breach of which shall be grounds for monetary and other penalties, up to and including termination of this Contract.

- a. The Contractor hereby attests, certifies, warrants, and assures that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract. The Contractor shall reaffirm this attestation, in writing, by submitting to the State a completed and signed copy of the document at Attachment 1, hereto, semi-annually during the period of this Contract. Such attestations shall be maintained by the Contractor and made available to state officials upon request.
- b. Prior to the use of any subcontractor in the performance of this Contract, and semi-annually thereafter, during the period of this Contract, the Contractor shall obtain and retain a current, written attestation that the subcontractor shall not knowingly utilize the services of an illegal immigrant to perform work relative to this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant to perform work relative to this Contract. Attestations obtained from such subcontractors shall be maintained by the Contractor and made available to state officials upon request.
- c. The Contractor shall maintain records for all personnel used in the performance of this Contract. Said records shall be subject to review and random inspection at any reasonable time upon reasonable notice by the State.
- d. The Contractor understands and agrees that failure to comply with this section will be subject to the sanctions of *Tennessee Code Annotated*, Section 12-4-124, *et seq.* 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

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offer, proposal, or bid to contract with the State of Tennessee to supply goods or services for a period of one year after a contractor is discovered to have knowingly used the services of illegal immigrants during the performance of this Contract.

- e. For purposes of this Contract, "illegal immigrant" shall be defined as any person who is not either a United States citizen, a Lawful Permanent Resident, or a person whose physical presence in the United States is authorized or allowed by the federal Department of Homeland Security and who, under federal immigration laws and/or regulations, is authorized to be employed in the U.S. or is otherwise authorized to provide services under the Contract.
- D.9. Records. The Contractor shall maintain documentation for all charges under this Contract. The books, records, and documents of the Contractor, insofar as they relate to work performed or money received under this Contract, shall be maintained for a period of three (3) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the State, the Comptroller of the Treasury, or their duly appointed representatives. The financial statements shall be prepared in accordance with generally accepted accounting principles.
- D.10. Prevailing Wage Rates. All contracts for construction, erection, or demolition or to install goods or materials that involve the expenditure of any funds derived from the State require compliance with the prevailing wage laws as provided in *Tennessee Code Annotated*, Section 12-4-401, *et seq.*
- D.11. Monitoring. The Contractor's activities conducted and records maintained pursuant to this Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives.
- D.12. Progress Reports. The Contractor shall submit brief, periodic, progress reports to the State as requested.
- D.13. Strict Performance. Failure by any party to this Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this Contract shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the parties hereto.
- D.14. Independent Contractor. The parties hereto, in the performance of this Contract, shall not act as employees, partners, joint venturers, or associates of one another. It is expressly acknowledged by the parties hereto that such parties are independent contracting entities and that nothing in this Contract shall be construed to create an employer/employee relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.
- The Contractor, being an independent contractor and not an employee of the State, agrees to carry adequate public liability and other appropriate forms of insurance, including adequate public liability and other appropriate forms of insurance on the Contractor's employees, and to pay all applicable taxes incident to this Contract.
- D.15. State Liability. The State shall have no liability except as specifically provided in this Contract.
- D.16. 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, natural disasters, riots, wars, epidemics, or any other similar cause.
- D.17. State and Federal Compliance. The Contractor shall comply with all applicable State and Federal laws and regulations in the performance of this Contract.
- D.18. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Contractor agrees that it will be subject to the exclusive jurisdiction of the courts of the State of Tennessee in actions that may arise under this Contract. The



Contractor acknowledges and agrees that any rights or claims against the State of Tennessee or its employees hereunder, and any remedies arising therefrom, shall be subject to and limited to those rights and remedies, if any, available under *Tennessee Code Annotated*, Sections 9-8-101 through 9-8-407.

- D.19. Completeness. This Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.
- D.20. Severability. If any terms and conditions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Contract are declared severable.
- D.21. Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.

**E. SPECIAL TERMS AND CONDITIONS:**

- E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Contract, these special terms and conditions shall control.
- E.2. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by EMAIL or facsimile transmission with recipient confirmation. Any such communications, regardless of method of transmission, shall be addressed to the respective party at the appropriate mailing address, facsimile number, or EMAIL address as set forth below or to that of such other party or address, as may be hereafter specified by written notice.

The State:

Stacey Hooper, Director, Warehousing & Distribution Division  
 Department of General Services  
 6500 Centennial Blvd.  
 Nashville, Tn 37243-8020

Stacey.Hooper@tn.gov  
 Telephone #) 615-350-3373  
 FAX #) 615-615-3321

The Contractor:

R. Stephen Richards, President & CEO  
 Richards & Richards Office Records Management, Inc.  
 Physical Address:  
 1741 Elm Hill Pike  
 Nashville, TN 37210  
 Office Telephone – (615) 242-9600  
 Fax – (615) 242-2100  
 Email – steve@richardsandrichards.com  
 Executive Assistant – Lanita Sexton  
 Email – lsexton@richardsandrichards.com

Mailing Address:  
 PO Box 17070  
 Nashville, TN 37217



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

- E.3. Subject to Funds Availability. The Contract is subject to the appropriation and availability of State and/or Federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate the Contract upon written notice to the Contractor. Said termination shall not be deemed a breach of Contract by the State. Upon receipt of the written notice, the Contractor shall cease all work associated with the Contract. Should such an event occur, the Contractor shall be entitled to compensation for all satisfactory and authorized services completed as of the termination date. 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. 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, if a retired member of TCRS, may be required to repay to TCRS the amount of retirement benefits the Contractor received from TCRS during the period of this Contract.
- E.5. Insurance. The Contractor shall carry adequate liability and other appropriate forms of insurance.
- a. The Contractor shall maintain, at minimum, the following insurance coverage:
- (1) Workers' Compensation/ Employers' Liability (including all states coverage) with a limit not less than the relevant statutory amount or five hundred thousand dollars (\$500,000.00) per occurrence for employers' liability whichever is greater.
  - (2) Comprehensive Commercial General Liability (including personal injury & property damage, premises/operations, independent contractor, contractual liability and completed operations/products) with a bodily injury/property damage combined single limit not less than one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) aggregate.
  - (3) Automobile Coverage (including owned, leased, hired, and non-owned vehicles) with a bodily injury/property damage combined single limit not less than one million dollars (\$1,000,000) per occurrence.
  - (4) Professional Malpractice Liability with a limit of not less than one million dollars (\$1,000,000) per claim and two million dollars (\$2,000,000) aggregate.
- b. At any time State may require the Contractor to provide a valid Certificate of Insurance detailing Coverage Description; Insurance Company & Policy Number; Exceptions and Exclusions; Policy Effective Date; Policy Expiration Date; Limit(s) of Liability; and Name and Address of Insured. Failure to provide required evidence of insurance coverage shall be a material breach of this Contract.

NOTE: "Umbrella" or "excess" insurance is not an acceptable substitute for the specified minimum amounts of required liability and workers compensation insurance. The Contractor shall provide, no later than the contract start date, a valid certificate of insurance naming the State of Tennessee as an additional insured.



- E.6. Confidentiality of Records. Strict standards of confidentiality of records and information shall be maintained in accordance with applicable state and federal law. All material and information, regardless of form, medium or method of communication, provided to the Contractor by the State or acquired by the Contractor on behalf of the State shall be regarded as confidential information in accordance with the provisions of applicable state and federal law, state and federal rules and regulations, departmental policy, and ethical standards. Such confidential information shall not be disclosed, and all necessary steps shall be taken by the Contractor to safeguard the confidentiality of such material or information in conformance with applicable state and federal law, state and federal rules and regulations, departmental policy, and ethical standards.

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

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

- E.7. HIPAA Compliance. The State and Contractor shall comply with obligations under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and its accompanying regulations.
- a. Contractor warrants to the State that it is familiar with the requirements of HIPAA and its accompanying regulations, and will comply with all applicable HIPAA requirements in the course of this Contract.
  - b. Contractor warrants that it will cooperate with the State, including cooperation and coordination with State privacy officials and other compliance officers required by HIPAA and its regulations, in the course of performance of the Contract so that both parties will be in compliance with HIPAA.
  - c. The State and the Contractor will sign documents, including but not limited to business associate agreements, as required by HIPAA and that are reasonably necessary to keep the State and Contractor in compliance with HIPAA. This provision shall not apply if information received by the State under this Contract is NOT "protected health information" as defined by HIPAA, or if HIPAA permits the State to receive such information without entering into a business associate agreement or signing another such document.
- E.8. Debarment and Suspension. The Contractor certifies, to the best of its knowledge and belief, that it, its current and future principals, its current and future subcontractors and their principals:
- a. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department or agency;
  - b. have not within a three (3) year period preceding this Contract been convicted of, or had a civil judgment rendered against them from commission of fraud, or a criminal 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 or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses detailed in section b. of this certification; and
- d. have not within a three (3) year period preceding this Contract had one or more public transactions (federal, state, or local) terminated for cause or default.

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

E.9. 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.

IN WITNESS WHEREOF,

**RICHARDS & RICHARDS OFFICE RECORDS MANAGEMENT, INC.:**

7/25/2011

CONTRACTOR SIGNATURE

DATE

R. Stephen Richards, President & CEO

PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)

DEPARTMENT OF GENERAL SERVICES:

7/26/11

Steven G. Cates, Commissioner

DATE



**ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE**

<b>SUBJECT CONTRACT NUMBER:</b>	
<b>CONTRACTOR LEGAL ENTITY NAME:</b>	<b>Richards &amp; Richards Office Records Management, Inc.</b>
<b>FEDERAL EMPLOYER IDENTIFICATION NUMBER: (or Social Security Number)</b>	<b>62-1397961</b>

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.

**CONTRACTOR SIGNATURE**

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.

**R. Stephen Richards, President & CEO**

**PRINTED NAME AND TITLE OF SIGNATORY**

7/25/2011

**DATE OF ATTESTATION**