CONTRACT #22
RFS # 309.01-21413
FA # NA
Edison # 36366

Treasury Department

VENDOR:
Tennessee County Services Association

STATE OF TENNESSEE

DAVID H. LILLARD, JR.
STATE TREASURER

TREASURY DEPARTMENT

STATE CAPITOL
NASHVILLE, TENNESSEE 37243-0225

615.741.2956
David.Lillard@tn.gov

MEMORANDUM

TO: Senator Bill Ketron, Chair
Representative Mark White, Vice Chair

FROM: David H. Lillard, Jr., State Treasurer

DATE: February 3, 2014

SUBJECT: **Request for Rule Exception**

The Department of Treasury has requested review of an amendment to its Contract with the Tennessee County Services Association. The amendment would allow the Department to exercise its option to extend the Contract for a one-year increment as approved by the Fiscal Review Committee on November 26, 2012. As detailed in the Department's Summary Memorandum, the Department has submitted its request for review less than sixty (60) days before the effective date of the amendment due to the recent completion of its internal review of the Contract. The Department apologizes for not submitting this request sixty (60) days in advance of the proposed effective date of the renewal, and requests an exception to the rule requiring that contracts submitted less than sixty (60) days in advance be rolled one committee meeting. The Department requests that the amendment be placed on the next agenda so that it may benefit from continuity in the Contractor's services.

STATE OF TENNESSEE

DAVID H. LILLARD, JR.
STATE TREASURER

TREASURY DEPARTMENT

STATE CAPITOL
NASHVILLE, TENNESSEE 37243-0225

615.741.2956
David.Lillard@tn.gov

RECEIVED
FEB 03 2014
FISCAL REVIEW

MEMORANDUM

TO: Fiscal Review Committee

FROM: David H. Lillard, Jr., State Treasurer

DATE: January 29, 2014

SUBJECT: **Tennessee County Services Association Contract Amendment**

This memorandum details the terms of the Department of Treasury's ("Department") contract amendment with the Tennessee County Services Association ("TCSA") that is before the Fiscal Review Committee as well as the justification for this noncompetitive amendment.

The contract between the Department and TCSA provides that TCSA will continue to provide marketing services for the State's deferred compensation plans to county governments. TCSA currently serves as a conduit between county governments and the Department so that the Department may have an opportunity to explain and discuss the benefits of the State's deferred compensation programs. TCSA schedules meetings between the State and County officials, allows the State to speak at its conferences, allows the State to market its deferred compensation plans on the TCSA website, and advertises the State's deferred compensation plans in its materials. The specific duties contained in the contract are as follows:

The Contractor shall provide services regarding the State's §401(k) or §457 deferred compensation plans ("deferred compensation plans") by performing the following:

a. Providing up to five (5) registrations for personnel of the State to attend and participate in all conferences of the Contractor with statewide attendance by governmental entities that would be eligible to participate in the State's deferred compensation plans ("eligible governmental entities"), including, but not limited to: county government officials; county commissioners; county highway officials; and governmental units to provide the state a forum to discuss the components, benefits and advantages of having county employees participate in the State's deferred compensation plans;

b. Assisting the State in coordinating and scheduling meetings between the State and representatives of eligible governmental entities relative to the State's deferred compensation plans;
c. In a manner mutually agreeable to the State and to the Contractor, advertising the State's deferred compensation plans to eligible governmental entities through the Contractor's website, newsletter and conferences. The Contractor shall ensure there is a link to the State's deferred compensation plans on the Contractor's website;
d. Providing a booth dedicated to marketing and advertising the State's deferred compensation plans at each of the Contractor's conferences that will be occupied with the State's employees or employees of the provider of administration services for the State's deferred compensation plans who can answer questions and disseminate materials relative to the State's deferred compensation plans; and
e. When requested by the State, placing the State's deferred compensation plans on the Contractor's conference agendas to have the opportunity for the State to speak about the benefits and advantages of participation in the State's deferred compensation plans at each conference.

The State shall provide the following services, or shall have its third party service provider:

a. Provide the Contractor with documents, materials and information about the State's deferred compensation programs to assist the Contractor;
b. Occupy a booth at the Contractor's conferences to answer questions and disseminate materials relative to the State's deferred compensation programs;
c. Furnish personnel to speak at the Contractor's conferences about the benefits and advantages of participation in the State's deferred compensation programs;
d. Design and provide an advertisement for the State's deferred compensation plans to the Contractor to place in the Contractor's newsletter;
e. Provide the Contractor with any and all other assistance in the marketing or advertising of the State's deferred compensation programs to county governments.

The justification for a noncompetitive amendment to this contract is that extending the contract with TCSA will allow the Department to utilize TCSA's contacts and relationships with county governments in the State to further market the State's deferred compensation plans to county governments. The State has seen an increase in the number of county governments participating in the plan and would like to see this trend continue. TCSA is uniquely qualified to assist the State in fulfilling the State's goals and market the plans because it is the only association that represents the counties in the State and is the only association that understands each county's needs for the functioning of county government, including the appropriate pension plan. No other organization has the ability, the contacts or the expertise to communicate with both county governments and State government to demonstrate the benefits of these retirement options. Through its duties as the sole organization dedicated to Tennessee counties, the Contractor has comprehensive knowledge of each county and each county's needs. Implicit in its mission to meets its membership's needs, is to educate and inform its membership. In particular, the Contractor has the duty to ensure that its membership is informed about all retirement options for its membership's employees so that the

employees face the future with a greater amount of financial security. The State's mission, in part, is to ensure that not only State employees are aptly prepared for retirement, but also to ensure that all public sector employees have the benefit of all possible retirement options. Additionally, increased participation and contributions strengthen the State's defined contribution plans for all participants. The Contractor is the only organization that is positioned to assist the State in implementing its mission by promoting the plans to county governments. The Treasury Department believes the unique nature of the contractor's operations make a non-competitive procurement appropriate in this instance.

When the Contract was initially approved by the Fiscal Review Committee on November 26, 2012, it was approved as a one-year contract with the option to extend in one-year increments up to five years, with a proposed maximum liability for the first year of $86,000, and a proposed maximum liability for five years of $430,000. After assessing the benefits of the services provided by the Contractor at the end of calendar year 2013, the State determined that it was in its best interest to exercise its approved option to extend the Contract with TCSA for another year at the approved payment rate. The request is submitted less than 60 days before the effective date of the amendment due to the recent completion of the assessment process, which took into account factors such as trends in local government participation, upcoming changes such as implementation of the hybrid retirement plan for all newly hired state employees and teachers, and the Department's participation goals for the upcoming year, in light of the services being offered by the Contractor. The Department worked with the Contractor to identify and mutually agree upon necessary action items within the Contractor's scope of services. Conducting a thorough assessment of both the goals of the Department for its plans and the benefits of the services offered by the Contractor was necessary to determine whether extending the Contract was prudent.

The Treasury Department apologizes that it did not timely conclude its internal review and as a consequence did not submit this request for non-competitive approval at least sixty (60) days in advance of the proposed effective date of the renewal.

If the Fiscal Review Committee staff has any questions or needs more information, please contact Christy Allen, Assistant Treasurer for Legal, Compliance and Audit at (615) 253-3853 or Christy.Allen@tn.gov.

Supplemental Documentation Required for Fiscal Review Committee

*Contact Name:	Courtney Holliday	*Contact Phone:	615 532 3067
*Original Contract Number:	36366	*Original RFS Number:	309.01-21413
Edison Contract Number: *(if applicable)*	36366	Edison RFS Number: *(if applicable)*	
*Original Contract Begin Date:	February 1, 2013	*Current End Date:	January 30, 2014

Current Request Amendment Number: *(if applicable)*	1
Proposed Amendment Effective Date: *(if applicable)*	February 1, 2014
*Department Submitting:	Treasury
*Division:	Deferred Compensation
*Date Submitted:	January 29, 2014
*Submitted Within Sixty (60) days:	No
If not, explain:	The determination to continue services with this vendor was not made sixty days prior to the current Contract's expiration.
*Contract Vendor Name:	Tennessee County Services Association
*Current Maximum Liability:	$86,000 [optional 5- year liability $430,000]

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

FY: 2013	FY: 2014	FY: 2015	FY: 2016	FY: 2017	FY:2018
$43,000	$86,000	$86,000	$86,000	$86,000	$43,000

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

FY:2013	FY:	FY:	FY:	FY	FY
$43,000	$	$	$	$	$

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

Supplemental Documentation Required for Fiscal Review Committee

*Contract Funding Source/Amount:	State:		Federal:	
Interdepartmental:			*Other*:	$86,000/year
If "*other*" please define:			Revenue from plan participation in Deferred Compensation Plans	

Dates of All Previous Amendments or Revisions: *(if applicable)*	Brief Description of Actions in Previous Amendments or Revisions: *(if applicable)*
May 13, 2013	To change payment from quarterly to semiannually, with no change to the yearly payment total.

Method of Original Award: *(if applicable)*	Non-competitive
*What were the projected costs of the service for the entire term of the contract prior to contract award?	$430,000 (for potential 5-year contract)

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: 2013	FY: 2014	FY: 2015	FY: 2016	FY: 2017
Marketing services to county governments for the State's Deferred Compensation plans	$86,000	$86,000	$86,000	$86,000	$86,000

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.

Extending the current Contract has the potential to greatly increase participation in the State's Deferred Compensation program, growing the Plan's assets.

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.

N/A- The Contractor is the only State association that provides services, support and assistance to every county in the State.

Proposed	FY:	FY:	FY:	FY:	FY:

Supplemental Documentation Required for Fiscal Review Committee

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

SetID: SHARE

*Status:

Contract ID: 0000000000000000000036366

Contract Type

Administrator: Belinda D Rochelle

Authored Document

Authored Status: Approved

Version: 0.01 Amendment: 0

Header

Process Option: Purchase Order

Vendor: TENNESSEE -285

Vendor ID: 0000091159 Tennessee County Services Assn

Begin Date: 02/01/2013 Vendor Details

Expire Date: 01/30/2014 Sub Contractor

Currency: USD CRRNT

Primary Contact: 1 BOB WORMSLEY

Vendor Contract Ref:

Description: RFS# 30901-21413

Master Contract ID:

Tax Exempt

Add Comments | Activity Log

Contract Activities | Document Status

Primary Contact Info | Thresholds & Notifications

Contract Agreement | *Additional Contract Info

Amount Summary

Maximum Amount:	430,000.00	USD
Line Released:	43,000.00	
Open Item Relsd:	0.00	
Total Released Amount:	43,000.00	
Remaining Amount:	387,000.00	
Remaining Percent:	90.00	

Order Contract Options

Allow Multicurrency PO

Allow Open Item Reference

Must Use Contract Rate Date

Corporate Contract

Adjust Vendor Pricing First

Rate Date: 04/16/2013

Lock Chartfields

Price Can Be Changed on Order

PO Defaults

PO Open Item Pricing

Add Items From

Catalog Item Search

Lines Customize | Find | View All | First 1 of 1 Last

Line		Type	Type ID	Description		UOM	Category					Include for Release	Status
1		Item		Advertising and Marketing of State's Deferred Compensation Plan		EA	918-76						Active

Amendment Request

Route a completed request, as one file in PDF format, via e-mail attachment sent to: Agsprs.Agsprs@tn.gov

APPROVED	
CHIEF PROCUREMENT OFFICER	DATE

Request Tracking #	30901-21413
1. Procuring Agency	Treasury Department
2. Contractor	Tennessee County Services Association
3. Contract #	36366
4. Proposed Amendment #	2
5. Edison ID #	36366
6. Contract Begin Date	February 1, 2013
7. Current Contract End Date *– with ALL options to extend exercised*	January 30, 2014
8. Proposed Contract End Date *– with ALL options to extend exercised*	January 31, 2017
9. Current Maximum Contract Cost *– with ALL options to extend exercised*	$ 430,000
10. Proposed Maximum Contract Cost *– with ALL options to extend exercised*	$ 430,000
11. Office for Information Resources Pre-Approval Endorsement Request *– information technology service (N/A to THDA)*	☒ Not Applicable ☐ Attached
12. eHealth Pre-Approval Endorsement Request *– health-related professional, pharmaceutical, laboratory, or imaging*	☒ Not Applicable ☐ Attached
13. Human Resources Pre-Approval Endorsement Request *– state employee training service*	☒ Not Applicable ☐ Attached

14. Explanation Need for the Proposed Amendment

The proposed amendment exercises the State's option to extend the Contract for a one-year increment (up to a five-year total contract length). The Contractor provides marketing services for the State's deferred compensation plans.

15. Name & Address of the Contractor's Principal Owner(s)
– NOT required for a TN state education institution

Tennessee County Services Association

Request Tracking #	30901-21413

226 Capitol Boulevard, Suite 700

Nashville, Tennessee 37219-1896

16. Evidence Contractor's Experience & Length Of Experience Providing the Goods or Services

The Contractor is a non-profit, public interest organization that represents the interests of each county located within the State and has been providing this service for fifty-eight (58) years. The Contractor is comprised of the following three (3) affiliate associations: the Association of County Mayors; the Tennessee County Commissioner Association and the Tennessee County Highway Officials Association. The Contractor also works closely with the University of Tennessee's County Technical Assistance Service in providing technical assistance and service to all of the counties. As a part of the service and assistance that the Contractor provides to the counties, the Contractor has designed programs to assist the counties with their financial functions, including but not limited to finding low-cost workers' compensation insurance and low-interest loans. As the only state-wide advocate for county governments, the Contractor also serves as the liaison for all of the counties with State government. In this role, the Contractor would be able to increase the counties' awareness and understanding of the State's deferred compensation programs and show how these programs can benefit county employees as they prepare for retirement.

17. Efforts to Identify Reasonable, Competitive, Procurement Alternatives

The Contractor is the only statewide association that provides services, support and assistance to every county in the State. Because it is the only advocacy organization for Tennessee counties that knows the counties' needs and goals better than any other private or public organizations, it is uniquely qualified to market and advertise these plans as investment opportunities for its membership. Based on Department staff's research, there are no other organizations or associations that possess the same knowledge of and contacts with Tennessee county governments that would have the ability to market and advertise the State's deferred compensation programs for the benefit of the State and the counties.

18. Justification

Because the Contractor is the only State-wide organization that provides support and educational services to every county in the State, it is uniquely qualified to serve as a conduit between the counties that it represents and State government in the marketing and advertising of the State's deferred compensation programs. No other organization has the ability, the contacts or the expertise to communicate with both county governments and State government to demonstrate the benefits of these retirement options. The Contractor's sole function is to help county governments function well, achieve their goals and safeguard their employees. Through its duties as the sole organization dedicated to Tennessee counties, the Contractor has comprehensive knowledge of each county and each county's needs. Implicit in its mission to meet its membership's needs is to educate and inform its membership. In particular, the Contractor has the duty to ensure that its membership is informed about all retirement options for its membership's employees so that the employees face the future with a greater amount of financial security. The State's mission, in part, is to ensure that not only State employees are aptly prepared for retirement, but to also ensure that all public sector employees have the benefit of all possible retirement options. The Contractor is the only organization that is most appropriate and best-postured to bring these two (2) needs together by marketing and promoting the State's defined contribution plans on behalf of the State to demonstrate to county governments how their participation in the State's 401(k) or 457 plan could benefit their organization.

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 circumstances*

CONTRACT AMENDMENT COVER SHEET

Agency Tracking #	Edison ID	Contract #	Amendment #
30901-21413	36366	36366	2

Contractor Legal Entity Name	Edison Vendor ID
Tennessee County Services Association	91159

Amendment Purpose & Effect(s)

The purpose of the amendment is to exercise the option to extend the contract for a one-year increment (total contract may be extended up to five years).

Amendment Changes Contract End Date: ☒ YES ☐ NO **End Date:** January 31, 2015

TOTAL Contract Amount INCREASE or DECREASE per this Amendment (zero if N/A): **$ 86,000**

Funding —

FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2013				$43,000	$43,000
2014				$86,000	$86,000
2015				$86,000	$86,000
2016				$86,000	$86,000
2017				$86,000	$86,000
2018				$43,000	$43,000
TOTAL:				$430,000	$430,000

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

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

Speed Chart (optional)	Account Code (optional)

CPO USE

AMENDMENT 2
OF CONTRACT 36366

This Amendment is made and entered by and between the State of Tennessee, Department of Treasury, hereinafter referred to as the "State" and Tennessee County Services Association, hereinafter referred to as the "Contractor." For good and valuable consideration, the sufficiency of which is hereby acknowledged, it is mutually understood and agreed by and between said, undersigned contracting parties that the subject contract is hereby amended as follows:

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

B.1. Contract Term. This Contract shall be effective for the period beginning February 1, 2013, and ending on January 31, 2015. 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.

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 hundred seventy-two thousand dollars ($172,000.00). The payment rates in section C.3 shall constitute the entire compensation due the Contractor for all service and Contractor obligations hereunder regardless of the difficulty, materials or equipment required. The payment rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

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

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 February 1, 2014. All other terms and conditions of this Contract not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF,

TENNESSEE COUNTY SERVICES ASSOCIATION:

_____

SIGNATURE **DATE**

_____

PRINTED NAME AND TITLE OF SIGNATORY (above)

DEPARTMENT OF TREASURY:

_____

DAVID H. LILLARD JR., TENNESSEE STATE TREASURER **DATE**

cy13-2149

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.Agsprs@state.tn.us

APPROVED

Michael F. Perry (CPO)

~~COMMISSIONER OF FINANCE & ADMINISTRATION~~ CPO

Request Tracking #	30901-21413
1. Procuring Agency	Department of Treasury
2. Contractor	Tennessee County Services Association
3. Contract #	30901-21413
4. Proposed Amendment #	1
5. Edison ID #	
6. Contract Begin Date	February 1, 2013
7. Current Contract End Date *– with ALL options to extend exercised*	January 30, 2014
8. Proposed Contract End Date *– with ALL options to extend exercised*	January 30, 2017
9. Current Maximum Contract Cost *– with ALL options to extend exercised*	$ 430,000.00
10. Proposed Maximum Contract Cost *– with ALL options to extend exercised*	$ 430,000.00
11. Office for Information Resources Endorsement *– information technology service (N/A to THDA)*	☒ Not Applicable ☐ Attached
12. eHealth Initiative Support *– health-related professional, pharmaceutical, laboratory, or imaging*	☒ Not Applicable ☐ Attached
13. Human Resources Support *– state employee training service*	☒ Not Applicable ☐ Attached

14. Explanation Need for the Proposed Amendment

The proposed amendment changes the payment methodology from quarterly payments to semiannual payments.

15. Name & Address of the Contractor's Principal Owner(s)
– NOT required for a TN state education institution

Tennessee County Services Association; 226 Capitol Boulevard, Suite 700; Nashville, Tennessee 37219-1896.

Request Tracking #	30901-21413

16. Evidence Contractor's Experience & Length Of Experience Providing the Service

The amendment does not make any substantive changes to the current contract. The amendment only changes the payment methodology section in the current contract to provide that the Contractor will be paid on a semiannual basis, instead of a quarterly basis.

17. Efforts to Identify Reasonable, Competitive, Procurement Alternatives

Not applicable based on the answer to number 16.

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

Not applicable based on the answer to number 16.

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*

April 4, 2013

CONTRACT AMENDMENT

Agency Tracking #	Edison ID	Contract #	Amendment #
30901-21413	36366	36366	1

Contractor Legal Entity Name	Edison Vendor ID
Tennessee County Services Association	91159

Amendment Purpose & Effect(s)

The purpose of the amendment is to change the payment methodology from quarterly payments to semiannual payments.

Amendment Changes Contract End Date: ☐ YES ☒ NO **End Date:** January 30, 2014

TOTAL Contract Amount INCREASE or DECREASE per this Amendment (zero if N/A): $ 0

Funding —

FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2013				$86,000.00	$86,000.00
2014				$86,000.00	$86,000.00
2015				$86,000.00	$86,000.00
2016				$86,000.00	$86,000.00
2017				$86,000.00	$86,000.00
TOTAL:					**$430,000.00**

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

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

Kerry Harberg

Speed Chart (optional)	Account Code (optional)

OCR USE

AMENDMENT 1
OF CONTRACT 30901-21413

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

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

C.3 Payment Methodology. Upon completion of the work described in section A of the Contract, the Contractor shall be compensated forty-three thousand dollars ($43,000.00) on a semiannual basis in a total amount not to exceed the Contract Maximum Liability established in section C.1.

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 May 1, 2013. All other terms and conditions of this Contract not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF,

TENNESSEE COUNTY SERVICES ASSOCIATION:

5/12/13

SIGNATURE **DATE**

David Seivers, Executive Director

PRINTED NAME AND TITLE OF SIGNATORY (above)

DEPARTMENT OF TREASURY:

May 17, 2013

DAVID H. LILLARD, JR., TENNESSEE STATE TREASURER **DATE**

Approved for signature by CA 5/13/13

GENERAL ASSEMBLY OF THE STATE OF TENNESSEE
FISCAL REVIEW COMMITTEE

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

Sen. Bill Ketron, Chairman
Senators
Douglas Henry, Reginald Tate
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: Jessica Robertson, Chief Procurement Officer
Department of General Services

FROM: Senator Bill Ketron, Chairman
Representative Curtis Johnson, Vice-Chairman

BK CJ

DATE: November 27, 2012

SUBJECT: **Contract Comments**
(Fiscal Review Committee Meeting 11/26/12)

RFS# 309.01-21413 (Edison # Pending)
Department: Treasury
Vendor: Tennessee County Services Association
Summary: The proposed contract is to provide marketing and advertising services of the State's Deferred Compensation Programs to county governments. The proposed contract has a term beginning February 1, 2013, and ending January 30, 2014, with the option to extend in one-year increments up to five years.
Proposed maximum liability for 1st year: $86,000
Proposed maximum liability for 5 years: $430,000

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

cc: The Honorable David Lillard, State Treasurer

STATE OF TENNESSEE

DAVID H. LILLARD, JR.
STATE TREASURER

TREASURY DEPARTMENT

STATE CAPITOL
NASHVILLE, TENNESSEE 37243-0225

615.741.2956
David.Lillard@tn.gov

Sender's telephone: 615.253.6150
Sender's email: Alison.Cleaves@tn.gov

MEMORANDUM

TO: Fiscal Review Committee

THROUGH: Christy Allen, Assistant Treasurer
Legal, Compliance and Audit

FROM: Alison Cleaves, Assistant General Counsel

DATE: November 19, 2012

SUBJECT: **Tennessee County Services Agency Contract**

This memorandum details the terms of the Department of Treasury's ("Department") contract with the Tennessee County Services Agency ("TCSA") that is before the Fiscal Review Committee on November 26, 2012 as well as the justification for this noncompetitive procurement.

The contract between the Department and TCSA provides that TCSA will market and advertise the State's deferred compensation plans to county governments. Because of the TCSA's representation of county interests and its contacts with county governments in the State, TCSA will serve as a conduit between county governments and the Department so that the Department may have an opportunity to explain and discuss the benefits of the State's deferred compensation programs. Toward that end, TCSA will schedule meetings between the State and County officials, allow the State to speak at TCSA's conferences, allow the State to market its deferred compensation plans on TCSA's website and will place an advertisement of the State's deferred compensation plans in TCSA's newsletter. The specific duties contained in the contract are as follows:

The Contractor shall provide services regarding the State's §401(k) or §457 deferred compensation plans ("deferred compensation plans") by performing following:

a. To provide up to five (5) registrations for personnel of the state to attend and participate in all conferences of the contractor with statewide attendance by governmental entities that would be eligible to participate in the State's deferred compensation programs ("eligible governmental entities"), including, but not limited to: county government officials; county commissioners; county highway officials; and governmental units to provide the state a forum to discuss the components, benefits and advantages of having county employees participate in the State's deferred compensation plans;
b. Assisting the State in coordinating and scheduling meetings between the State and representatives of eligible governmental entities relative to the State's deferred compensation plans;
c. In a manner mutually agreeable to state and an the contractor, advertising the State's deferred compensation plans to eligible governmental entities through the Contractor's website, newsletter and conferences. The Contractor shall ensure that there is a link to the State's deferred compensation plans on the Contractor's website;
d. Providing a booth dedicated to marketing and advertising the State's deferred compensation plans at each of the Contractor's conferences that will be occupied with the State's employees or employees of the provider of administration services for the state's deferred compensation plans who can answer questions and disseminate materials relative to the State's deferred compensation plans; and
e. When requested by the State, placing the State's deferred compensation plan on the Contractor's conference agendas to have the opportunity for the State speak about the benefits and advantages of participation in the State's deferred compensation plans at each conference;

The State shall provide the following services, or shall have its third party service provider:

a. Provide the Contractor with documents, materials and information about the State's deferred compensation programs to assist the Contractor
b. Occupy a booth at the Contractor's conferences to answer questions and disseminate materials relative to the State's deferred compensation programs;
c. Furnish personnel to speak at the Contractor's conferences about the benefits and advantages of participation in the State's deferred compensation programs;
d. Design and provide an advertisement for the State's deferred compensation plans to the Contractor to place in the Contractor's newsletter; and
e. Provide the Contractor with any and all other assistance in the marketing or advertising of the State's deferred compensation programs to county governments.

The justification for procuring this contract as a noncompetitive procurement is that TCSA is uniquely qualified to market and advertise the State's deferred compensation programs to county governments because it is the only association that represents the counties in the State and it is the only association that understands each county's needs for the functioning of the county government, including the appropriate pension plan. No other organization has ability, the

contacts or the expertise to communicate with both county governments and State government to demonstrate the benefits of these retirement options. The Contractor's sole function is to help county governments function well, achieve their goals and safeguard their employees. Through its duties as the sole organization dedicated to Tennessee counties, the Contractor has comprehensive knowledge of each county and each county's needs. Implicit in its mission to meet its membership's needs, is to educate and inform its membership. In particular, the Contractor has the duty to ensure that its membership is informed about all retirement options for its membership's employees so that the employees face the future with a greater amount of financial security. The State's mission, in part, is to ensure that not only State employees are aptly prepared for retirement, but to also ensure that all public sector employees have the benefit of all possible retirement options. The Contractor is the only organization that is most appropriate and best-postured to bring these two (2) needs together by marketing and promoting the State's defined contribution plans on behalf of the State to demonstrate to county governments how their participation in the State's 401(k) or 457 plan could benefit their organization.

Supplemental Documentation Required for Fiscal Review Committee

*Contact Name:	Alison Cleaves	*Contact Phone:	253-6150
*Original Contract Number:	30901-21413	*Original RFS Number:	
Edison Contract Number: *(if applicable)*		Edison RFS Number: *(if applicable)*	
*Original Contract Begin Date:	February 1, 2013	*Current End Date:	January 30, 2014

Current Request Amendment Number: *(if applicable)*	N/A
Proposed Amendment Effective Date: *(if applicable)*	N/A
*Department Submitting:	Department of Treasury
*Division:	Investments
*Date Submitted:	November 16, 2012
*Submitted Within Sixty (60) days:	Yes
If not, explain:	
*Contract Vendor Name:	Tennessee County Services Association
*Current Maximum Liability:	$430,000.00

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

FY:	FY:	FY:	FY:	FY	FY
$86,000.00	$86,000.00	$86,000.00	$86,000.00	$86,000.00	$86,000.00

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

FY:	FY:	FY:	FY:	FY	FY
$	$	$	$	$	$

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

*Contract	State:		Federal:	

Supplemental Documentation Required for Fiscal Review Committee

Funding Source/Amount:				
Interdepartmental:			*Other*:	Other Revenue from Plan Participation Fees in Deferred Compensation Plans
If "*other*" please define:				

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

Method of Original Award: (*if applicable*)	N/A
*What were the projected costs of the service for the entire term of the contract prior to contract award?	N/A

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:	FY:	FY:	FY:	FY:

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:

cy12-1587

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

APPROVED

Jessica Robertson/CPO

~~COMMISSIONER OF FINANCE & ADMINISTRATION~~ CPO

Request Tracking #	30901 - 21413
1. Contracting Agency	Department of Treasury
2. Proposed Contractor	Tennessee County Services Association
3. Proposed Contract Period – *with ALL options to extend exercised* *The proposed contract start date shall follow the approval date of this request.*	60 months
4. Maximum Contract Cost – *with ALL options to extend exercised*	$ 430,000
5. Office for Information Resources Endorsement – *information technology (N/A to THDA)*	☒ Not Applicable ☐ Attached
6. eHealth Initiative Support – *health-related professional, pharmaceutical, laboratory, or imaging*	☒ Not Applicable ☐ Attached
7. Human Resources Support – *state employee training*	☒ Not Applicable ☐ Attached

8. Has the contracting agency bought the subject service before?

☒ NO ☐ YES, it was procured by...

☐ *RFP* ☐ *Another Competitive Method* ☐ *Non-Competitive Negotiation*

9. Service Description – *brief summary only – do NOT restate the proposed scope of service*

The Contractor shall market the State's deferred compensation plans to each county government showing the retirement advantages and benefits of contributing to either of the plans. The State's deferred compensation plans are comprised of a 401(k) plan and a 457 plan, both of which are employee-directed plans where the employee elects the investment allocations for the money deposited in the account through employee contributions as well as a matching contribution from the employer. The Contractor's marketing and advertising services shall include, but not be limited to the following: providing outreach to county government officials to discuss the benefits to having county employees participate in a defined contribution plan as a supplement to the employee's retirement; coordinating and scheduling meetings with county government officials and the State about the advantages to having its employees participate in the State's 401(k) or 457 plan as opposed to any other defined contribution plan; coordinating and scheduling individual or group meetings with county government officials and the State to give the State the opportunity to explain the difference between the retirement investment vehicles offered by the State including, but not limited to the difference between a defined benefit and a defined contribution plan; providing advertising for the State's 401(k) and 457 plans to county officials and county employees through the Contractor's website, newsletter and conferences; and providing the State with

Request Tracking #	30901- 21413

the opportunity to speak at the Contractor's conferences about the benefits and advantages or participating in the State's deferred compensation plans.

10. Explanation of Need for or Requirement Placed on the State to Acquire the Service

All individuals need to be able to make informed and educated decisions about saving for retirement. Typically, one's retirement income is derived from any pension provided by the employer, social security income as well as the employee's personal savings. With the uncertainty of whether future generations will be able to benefit from social security income in addition to the economic uncertainties that that employees may encounter that could impact an employee's personal savings, it is crucial that employers and employees are educated about the benefits of other investment options, such as defined contribution plans. The Contractor can assist the State in providing this educational function by marketing and advertising the State's defined contribution plans to the counties while assisting county government in attempting to secure the financial future for its employees. This fulfills the State's goal to extend its retirement programs to assist other public sector employees which will, in turn, strengthen the State's defined contribution programs through increased contributions and participation. Participation in the State's defined contribution programs by county governments not only develops greater financial certainty for its employees, but it may also prove to be an incentive to retain current county employees as well as an incentive to attract new employees to county service.

11. Name & Address of the Contractor's Principal Owner(s)
– NOT required for a TN state education institution

Tennessee County Services Association; 226 Capitol Boulevard, Suite 700; Nashville, Tennessee 37219-1896.

12. Evidence Contractor's Experience & Length Of Experience Providing the Service

The Contractor is a nonprofit, public interest organization that represents the interests of each county located within the State and has been providing this service for fifty-eight (58) years. The Contractor is comprised of the following three (3) affiliate associations: the Association of County Mayors; the Tennessee County Commissioner Association and the Tennessee County Highway Officials Association. The Contractor also works closely with the University of Tennessee's County Technical Assistance Service in providing technical assistance and service to all of the counties. As a part of the service and assistance that the Contractor provides to the counties, the Contractor has designed programs to assist the counties with its financial functions, including but not limited to finding low-cost workers' compensation insurance and low-interest loans. As the only state-wide advocate for county governments, the Contractor also serves as the liaison for all of the counties with State government. In this role, the Contractor would be able to increase the counties' awareness and understanding of the State's deferred compensation programs and show how these programs can benefit county employees as they prepare for retirement.

13. Efforts to Identify Reasonable, Competitive, Procurement Alternatives

The Contractor is the only State association that provides services, support and assistance to every county in the State. Because it is the only advocacy organization for Tennessee counties that knows the counties' needs and goals better than any other private or public organizations, it is uniquely qualified to market and advertise these plans as investment opportunities for its membership. Based on Department staff's research, there are no other organizations or associations that possess the same knowledge of and contacts with Tennessee county governments that would have the ability to market and advertise the State's deferred compensation programs for the benefit of the State and the counties.

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

Because the Contractor is the only State-wide organization that that provides support and educational services to every county in the State, it is uniquely qualified to serve as a conduit between the counties that it represents and State government in the marketing and advertising the State's deferred compensation programs. No other organization has ability, the contacts or the expertise to communicate with both county governments and State

Request Tracking #	30901-21413

government to demonstrate the benefits of these retirement options. The Contractor's sole function is to help county governments function well, achieve their goals and safeguard their employees. Through its duties as the sole organization dedicated to Tennessee counties, the Contractor has comprehensive knowledge of each county and each county's needs. Implicit in its mission to meet its membership's needs, is to educate and inform its membership. In particular, the Contractor has the duty to ensure that its membership is informed about all retirement options for its membership's employees so that the employees face the future with a greater amount of financial security. The State's mission, in part, is to ensure that not only State employees are aptly prepared for retirement, but to also ensure that all public sector employees have the benefit of all possible retirement options. The Contractor is the only organization that is most appropriate and best-postured to bring these two (2) needs together by marketing and promoting the State's defined contribution plans on behalf of the State to demonstrate to county governments how their participation in the State's 401(k) or 457 plan could benefit their organization.

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*

October 26, 2012

CONTRACT

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

Begin Date	End Date	Agency Tracking #	Edison Record ID
February 1, 2013	January 30, 2014	30901-21413	

Contractor Legal Entity Name	Edison Vendor ID
Tennessee County Services Association	

Service Caption (one line only)

Marketing and Advertising of State's Deferred Compensation Programs

Subrecipient or Vendor	CFDA #
☐ Subrecipient ☐ Vendor	

Funding —

FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2013				X	$86,000
2014				X	$86,000
2015				X	$86,000
2016				X	$86,000
2017				X	$86,000
TOTAL:				X	**$430,000**

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.

OCR USE - FA

Speed Chart (optional)	Account Code (optional)

CONTRACT
BETWEEN THE STATE OF TENNESSEE,
DEPARTMENT OF TREASURY
AND
TENNESSEE COUNTY SERVICES ASSOCIATION

This Contract, by and between the State of Tennessee, Department of Treasury, hereinafter referred to as the "State" and Tennessee County Services Association, hereinafter referred to as the "Contractor," is for the provision of Deferred Compensation Plan Marketing, as further defined in the "SCOPE OF SERVICES."

The Contractor is a Non-Profit Corporation.
Contractor Place of Incorporation or Organization: State of Tennessee.
Contractor Edison Registration ID # Number

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 provide services regarding the State's §401(k) or §457 deferred compensation plans ("deferred compensation plans") by performing following:

a. Providing up to five (5) registrations for personnel of the State to attend and participate in all conferences of the Contractor with statewide attendance by governmental entities that would be eligible to participate in the State's deferred compensation programs ("eligible governmental entities"), including, but not limited to: county government officials; county commissioners; county highway officials; and governmental units to provide the State a forum to discuss the components, benefits and advantages of having county employees participate in the State's deferred compensation plans;

b. Assisting the State in coordinating and scheduling meetings between the State and representatives of eligible governmental entities relative to the State's deferred compensation plans;

c. In a manner mutually agreeable to state and the contractor, advertising the State's deferred compensation plans to eligible governmental entities through the Contractor's website, newsletter and conferences. The Contractor shall ensure that there is a link to the State's deferred compensation plans on the Contractor's website;

d. Providing a booth dedicated to marketing and advertising the State's deferred compensation plans at each of the Contractor's conferences that will be occupied with the State's employees or employees of the provider of administration services for the State's deferred compensation plans who can answer questions and disseminate materials relative to the State's deferred compensation plans; and

e. When requested by the State, placing the State's deferred compensation plan on the Contractor's conference agendas to have the opportunity for the State speak about the benefits and advantages of participation in the State's deferred compensation plans at each conference.

A.3 The State shall provide the following services, or shall have its third party service provider:

a. Provide the Contractor with documents, materials and information about the State's deferred compensation programs to assist the Contractor

b. Occupy a booth at the Contractor's conferences to answer questions and disseminate materials relative to the State's deferred compensation programs;

c. Furnish personnel to speak at the Contractor's conferences about the benefits and advantages of participation in the State's deferred compensation programs;

d. Design and provide an advertisement for the State's deferred compensation plans to the Contractor to place in the Contractor's newsletter; and

e. Provide the Contractor with any and all other assistance in the marketing or advertising of the State's deferred compensation programs to county governments.

B. CONTRACT PERIOD:

This Contract shall be effective for the period beginning February 1, 2013, and ending on January 30, 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 eighty-six thousand dollars ($86,000.00). The payment rates in section C.3 shall constitute the entire compensation due the Contractor for all service and Contractor obligations hereunder regardless of the difficulty, materials or equipment required. The payment rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

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

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. Upon completion of the work described in section A of the Contract, the Contractor shall be compensated twenty-one thousand five hundred dollars ($21,500.00) on a quarterly basis in a total amount not to exceed the Contract Maximum Liability established in section C.1.

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 after completion of all work, described in section A of this Contract, and present said invoices no more often than monthly, with all necessary supporting documentation, to:

Budget Officer
Division of Administrative Services
Department of Treasury
Andrew Jackson Building, 11th Floor
502 Deaderick Street
Nashville, Tennessee 37243

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: Department of Treasury, Investments Division;
(5) Customer Account Number (assigned by the Contractor to the above-referenced State Agency);
(6) Contractor Name;
(7) Contractor 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) Total Amount Due for delivered service (as stipulated in Section C.3. above).

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 thirty (30) 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 "A", hereto, semi-annually during the period of this Contract. Such attestations shall be maintained by the Contractor and made available to state officials upon request.

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

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

d. The Contractor understands and agrees that failure to comply with this section will be subject to the sanctions of *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 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:

Kaci Lantz, Deferred Compensation Manager
Department of Treasury
502 Deaderick Street
Andrew Jackson Building, 9th Floor
kaci.lantz@tn.gov
Telephone # (615) 532-2347
FAX # (615) 401-6819

The Contractor:

David Seivers, Executive Director
Tennessee County Services Association
226 Capitol Boulevard, Suite 700
Nashville, Tennessee 37219-1896
tcsa.contact@tncounties.org
Telephone # (615) 532-3767
FAX # (615) 532-3769

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

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

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

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

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

E.7 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.8. Hold Harmless. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims, liabilities, losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity which may be injured or damaged as a result of acts, omissions, or negligence on the part of the Contractor, its employees, or any person acting for or on its or their behalf relating to this Contract. The Contractor further agrees it shall be liable for the reasonable cost of attorneys for the State in the event such service is necessitated to enforce the terms of this Contract or otherwise enforce the obligations of the Contractor to the State.

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

E.9 Unencumbered Personnel. All persons assigned by the Contractor to perform services for the State under this Contract, whether they are employees, agents, subcontractors, or principals of the Contractor, shall not be subject to any employment contract or restrictive covenant provisions which would preclude those persons from performing the same or similar services for the State after the termination of this Contract, either as a State employee, an independent contractor, or an employee, agent, subcontractor or principal of another contractor with the State. If the Contractor provides the State with the services of any person subject to a restrictive covenant or contractual provision in violation of this provision, any such restrictive covenant or contractual provision will be void and unenforceable, and the Contractor will pay the State and any person involved all of its expenses, including attorney's fees, caused by attempts to enforce such provisions.

E.10 Disclosure of Personal Identity Information. The Contractor shall report to the State any instances of unauthorized disclosure of confidential information that come to the attention of the Contractor. Any such report shall be made by the Contractor within twenty-four (24) hours after the instance has come to the attention of the Contractor. The Contractor, at the sole discretion of the State, shall provide no cost credit monitoring services for individuals that are deemed to be part of a potential disclosure. The Contractor shall bear the cost of notification to individuals having personal identity information involved in a potential disclosure event, including individual letters and/or public notice.

E.11 Representations and Warranties. At the time of the execution of this contract, the Contractor represents and warrants that it, its employees and any other individuals working for the Contractor in any capacity/capacities (i). is/are not subject to any noncompete clause, provision or order or any other clause, provision or order that would prohibit or restrict the Contractor or any

of its employees from marketing or advertising the State's deferred compensation plans exclusively or performing any other duty contained in this contract; (ii). has/have all of the licenses, registrations or certifications required to perform the duties contained in this contract and that it, its employees and individuals working for the Contractor will maintain all of the required licenses, registrations or certifications for the duration of the contract period and (iii). is/are not prohibited or restricted from performing the duties contained in this contract because of any contractual obligations existing at the time of the execution of this contract. Further, the Contractor represents and warrants that the duties contained in this contract do not conflict with any contractual obligations that the Contractor, its employees or any individuals working for the Contractor may have existing at the time of the execution of this contract.

E.12 Exclusivity. For the duration of the contract period contained in section B., including any extension(s) of the contract term, the Contractor, its employees, or any other individuals working for the Contractor (i). shall not provide to any other any other deferred contribution plan or any person or entity defined contribution plans other than the State's deferred compensation plans; (ii). shall not directly or indirectly engage in any business or activities or solicit any business that competes or conflicts with the Contractor's duties contained in this contract to work exclusively for the State and (iii). shall not directly or indirectly own, manage, operate, participate in or finance any business venture that competes or conflicts with the Contractor's duties contained in this contract to work exclusively for the State.

E.13 Municipal Advisor Registration. If either the State or the Contractor is required to be registered as a municipal advisor pursuant to 15 U.S.C.A. §78o-4 and 17 C.F.R. §240.15Ba2-6T (or any other applicable law or regulation) or registered otherwise under state or federal law, at any point during the contract period and the party requested to be registered does not register, the failure to obtain such registration shall be grounds for the other party to this agreement to terminate the contract without further liability to either party.

E.14 Severability. In the event that any provision contained in this contract is deemed unenforceable, it shall be severed and the balance of the contract shall be enforced.

IN WITNESS WHEREOF,

TENNESSEE COUNTY SERVICES ASSOCIATION:

David Seivers

CONTRACTOR SIGNATURE

David Seivers, Executive Director

PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)

DEPARTMENT OF TREASURY:

David H. Lillard Jr.

DAVID H. LILLARD, JR., TENNESSEE STATE TREASURER

January 29, 2013

ATTACHMENT "A"

ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE

SUBJECT CONTRACT NUMBER:	
CONTRACTOR LEGAL ENTITY NAME:	Tennessee County Services Association
FEDERAL EMPLOYER IDENTIFICATION NUMBER: (or Social Security Number)	62-6018276

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.

David Severs

PRINTED NAME AND TITLE OF SIGNATORY

1/16/13

DATE OF ATTESTATION