

**CONTRACT #9**  
**RFS # 317.01-03075**  
**FA # NA**  
**Edison # 35274**

**Department of Finance and  
Administration  
Office for Information  
Resources (OIR)**

**VENDOR:**  
**Science Applications  
International Corporation  
(SAIC)**



STATE OF TENNESSEE  
**DEPARTMENT OF FINANCE AND ADMINISTRATION**  
OFFICE FOR INFORMATION RESOURCES  
312 EIGHTH AVENUE NORTH  
SUITE 1600, TENNESSEE TOWER  
NASHVILLE, TENNESSEE 37243-0288  
(615) 741-3700  
FAX (615) 532-0471

LARRY B. MARTIN  
COMMISSIONER

MARK BENDEL  
CHIEF INFORMATION OFFICER

October 9, 2013

Mr. Lucian Geise  
Director  
Fiscal Review Committee  
8<sup>th</sup> Floor, Rachel Jackson Bldg.  
Nashville, TN

Dear Sir:

Please find attached, for the Fiscal Review Committee's consideration, documentation of an Amendment request pertaining to the State's contract with Science Applications International Corporation (SAIC) for the provision of Next Generation IT Assessment Services. The Department of Finance and Administration respectfully requests to be placed on the agenda to present this request at the next Fiscal Review Committee meeting.

This Amendment is to accomplish an FEIN change due to the separation of SAIC into two (2) separate companies; SAIC and Leidos. The company named SAIC will continue to provide the services procured under the contract. SAIC has confirmed they will assume all liabilities and responsibilities as written in the contract with the State. No other changes are being requested.

Thank you for your consideration of this request. We look forward to appearing before the Committee at its next scheduled meeting.

Sincerely,

Leighanne Haynes  
Director of Relations Management

Supplemental Documentation Required for  
Fiscal Review Committee

*Contact Name:	Leighanne Haynes	*Contact Phone:	253-4781		
*Original Contract Number:		*Original RFS Number:	31701-03075		
Edison Contract Number: <i>(if applicable)</i>	35274	Edison RFS Number: <i>(if applicable)</i>			
*Original Contract Begin Date:	1/22/2013	*Current End Date:	1/21/2016		
Current Request Amendment Number: <i>(if applicable)</i>	2				
Proposed Amendment Effective Date: <i>(if applicable)</i>	December 10, 2013				
*Department Submitting:	Finance and Administration				
*Division:	Office for Information Resources				
*Date Submitted:	October 10, 2013				
*Submitted Within Sixty (60) days:	Yes				
<i>If not, explain:</i>					
*Contract Vendor Name:	Science Applications International Corporation (SAIC)				
*Current Maximum Liability:	\$2,218,465.00				
<b>*Current Contract Allocation by Fiscal Year: (as Shown on Most Current Fully Executed Contract Summary Sheet)</b>					
FY:	FY:	FY:	FY:	FY	FY
\$462,633.05	\$1,717,601.10	\$38,230.85	\$	\$	\$
<b>*Current Total Expenditures by Fiscal Year of Contract: (attach backup documentation from STARS or FDAS report) Two invoices totaling \$62,711.58 have been received and are in process. No other payments have been made.</b>					
FY:	FY:	FY:	FY:	FY	FY
\$0.00	\$	\$	\$	\$	\$
<b>IF</b> Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:			Yearly allocations were estimates of anticipated services at the time the Contract was established.		
<b>IF</b> surplus funds have been carried forward, please give the reasons and provide the authority for the carry forward provision:			Surplus funds were not carried forward.		
<b>IF</b> Contract Expenditures exceeded Contract Allocation, please give the reasons and explain how funding			Contract expenditures have not exceeded the Contract Maximum Liability.		

## 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.

was acquired to pay the overage:			
*Contract Funding Source/Amount:	State:	Federal:	
Interdepartmental:	\$2,218,465.00	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>	
Amd #1, July 1, 2013		Add Dollars to Professional Services Rates.	
Method of Original Award: <i>(if applicable)</i>		RFP	
*What were the projected costs of the service for the entire term of the contract prior to contract award?		Due to variability of services, the program area could not project cost prior to receiving proposals, and therefore relied upon the actual proposed amounts to derive the projected costs.	

Supplemental Documentation Required for  
Fiscal Review Committee

<b>Planned expenditures by fiscal year by deliverable. Add rows as necessary to indicate all estimated contract expenditures.</b>					
Deliverable description:	FY:	FY:	FY:	FY:	FY:
This amendment is to change an FEIN. No other revisions are to be made.					
<b>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.</b>					
Deliverable description:	FY:	FY:	FY:	FY:	FY:
This amendment does not expand the Scope of Services or procure new services.					
<b>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.</b>					
Proposed Vendor Cost: (name of vendor)	FY:	FY:	FY:	FY:	FY:
Less than one year ago, SAIC was awarded this contract via RFP and therefore, the prices in the contract were determined competitively. In addition, SAIC has gained knowledge and experience with the NextGen IT project so no other options were sought.					
Other Vendor Cost: (name of vendor)	FY:	FY:	FY:	FY:	FY:
Other Vendor Cost: (name of vendor)	FY:	FY:	FY:	FY:	FY:

## Mitzi Hale

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**From:** Donna Odom  
**Sent:** Thursday, September 26, 2013 3:43 PM  
**To:** Mitzi Hale  
**Subject:** FW: Questions for SAIC Amendment

FYI

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**From:** Wilson, Ramona L. [<mailto:RAMONA.L.WILSON@saic.com>]  
**Sent:** Thursday, September 26, 2013 1:03 PM  
**To:** Donna Odom  
**Cc:** Lashawn Shaw; Gillum, Valeria L.; White, Anne L.  
**Subject:** RE: Questions for SAIC Amendment

Donna,  
Here are the answers to your questions. Please review and let me know if you have any additional questions.  
Thanks,  
Ramona

1. Can you provide information on why the name change/tax IT number has occurred?

SAIC Board of Directors decided the best course for the company was to separate SAIC into two different companies which would have two different focuses. One company would focus on National Security, Engineering and Health (and will be named Leidos) and the other company would focus on Government Technical Services and Enterprise Information Technology (and is named SAIC).

2. Has the company been bought out, merged, etc.?

Two new companies are being formed. One company will be named SAIC, but will be a new Company with new TIN, D&B and CAGE Codes and the other company will retain the legacy history of the old SAIC but be named Leidos.

3. What is the effective date?

On September 27, 2013 midnight the company will be split and effective September 28, 2013, we will begin operating as two separate companies.

4. Is the Department still dealing with the same individuals or has the company profile changed?

The Department will still be dealing with the same individuals, there are currently no planned changes in employees who support the Department.

5. With name changes, the Fiscal Review Committee wants to make sure that the State will not incur any additional risk and that the new company has assumed all liabilities and responsibilities of the previous company. Can the new company confirm they are assuming all liabilities and responsibilities of the previous company?

Yes, we can confirm that we will be assuming all liabilities and responsibilities as written in our agreement with the State.

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**From:** [prvs=1974c4ea68=donna.odom@tn.gov](mailto:prvs=1974c4ea68=donna.odom@tn.gov) [<mailto:prvs=1974c4ea68=donna.odom@tn.gov>] **On Behalf Of** Donna Odom  
**Sent:** Thursday, September 26, 2013 10:29 AM  
**To:** Wilson, Ramona L.  
**Cc:** Lashawn Shaw; Gillum, Valeria L.  
**Subject:** FW: Questions for SAIC Amendment

Ramona,

Due to SAIC's tax ID number change, we must make changes to the contract that will require us to go through the State's Fiscal Review process. To facilitate our preparation please respond to the following questions:

1. Can you provide information on why the name change/tax IT number has occurred?
2. Has the company been bought out, merged, etc.?
3. What is the effective date?
4. Is the Department still dealing with the same individuals or has the company profile changed?
5. With name changes, the Fiscal Review Committee wants to make sure that the State will not incur any additional risk and that the new company has assumed all liabilities and responsibilities of the previous company. Can the new company confirm they are assuming all liabilities and responsibilities of the previous company?

Thank you,

Donna Odom

OPMO Project Manager

Office for Information Resources

44 Vantage Way

4<sup>th</sup> Floor, Vantage Place

Nashville, TN 37228

**Office: 615-532-3040**

**Cell: 615-483-9210**

## Mitzi Hale

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**From:** Donna Odom  
**Sent:** Monday, September 30, 2013 2:34 PM  
**To:** Mitzi Hale  
**Subject:** FW: State of TN Invoices

FYI

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**From:** Gillum, Valeria L. [<mailto:VALERIA.L.GILLUM@saic.com>]  
**Sent:** Monday, September 30, 2013 1:39 PM  
**To:** Donna Odom  
**Subject:** FW: State of TN Invoices

FYI....

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**From:** Wilson, Ramona L.  
**Sent:** Monday, September 30, 2013 1:38 PM  
**To:** Gillum, Valeria L.  
**Subject:** RE: State of TN Invoices

Yes, it fine for them to continue to pay on the old tax id. We will send out letter once we receive the new information.

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**From:** Gillum, Valeria L.  
**Sent:** Monday, September 30, 2013 2:36 PM  
**To:** Wilson, Ramona L.  
**Subject:** State of TN Invoices

Ramona-

Donna indicated that the State of TN is processing our invoices. They can pay them to the SAIC (name) and the tax ID of the old SAIC with not problem but this would mean the payment goes to Leidos. To change the tax ID, the contract has to proceed through fiscal review (next committee meeting in October and upon committee review, must give them 60 days to OK). Donna said you indicated it would be OK for them to pay the invoices using the OLD SAIC tax ID and the funds can be transferred from Leidos to SAIC. Please confirm.

Thanks,  
Valeria

valeria gillum | SAIC | 615.828.6815

## Mitzi Hale

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**From:** Wilson, Ramona L. <RAMONA.L.WILSON@saic.com>  
**Sent:** Tuesday, October 01, 2013 12:58 PM  
**To:** Gillum, Valeria L.; Mitzi Hale  
**Cc:** Donna Odom  
**Subject:** RE: New Accounting Documents for SAIC Change

Mitzi,  
You are correct on the payment. You can continue on as you have been until the approval gets through Financial Review.  
Thanks,  
Ramona

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**From:** Gillum, Valeria L.  
**Sent:** Tuesday, October 01, 2013 1:55 PM  
**To:** 'Mitzi Hale'  
**Cc:** Donna Odom; Wilson, Ramona L.  
**Subject:** RE: New Accounting Documents for SAIC Change

Mitzi-

Thanks! We will get you the ACH and Substitute W-9 (they will probably come from Ramona Wilson via email.)

Happy Tuesday—  
Valeria

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**From:** [prvs=1979278137=mitzi.hale@tn.gov](mailto:prvs=1979278137=mitzi.hale@tn.gov) [<mailto:prvs=1979278137=mitzi.hale@tn.gov>] **On Behalf Of** Mitzi Hale  
**Sent:** Tuesday, October 01, 2013 12:39 PM  
**To:** Gillum, Valeria L.  
**Cc:** Donna Odom  
**Subject:** New Accounting Documents for SAIC Change

Hi Valeria,

Donna updated me on the changes occurring at SAIC and based on your response to her, you are aware that an amendment will be required and that it will need to be presented to Fiscal Review.

To start the process on my end, I will need to get a new ACH and Substitute W-9. Both of those documents, as well as the instructions, are attached above. As soon as I receive those, I will submit them to the Business Office. Please note that you can scan and email the documents to me.

Also, I understand that you know it may take several weeks for this to become effective and it was confirmed that the State could continue to make payments under the current contract account until we can finalize the amendment.

If I stated anything incorrectly, please let me know.

Thank you,  
Mitzi

Mitzi R. Hale  
Procurement Specialist, OIR/PCM  
615-741-3735



## OIR Pre-Approval Endorsement Request E-Mail Transmittal

**TO :** Jane Chittenden, OIR Procurement & Contract Management Director  
Department of Finance & Administration  
E-mail : [Jane.Chittenden@tn.gov](mailto:Jane.Chittenden@tn.gov)

**FROM :** Leighanne Haynes  
E-mail : [Leighanne.Haynes@tn.gov](mailto:Leighanne.Haynes@tn.gov)

**DATE :** October 2, 2013

**RE :** Request for OIR Pre-Approval Endorsement

<b>Applicable RFS #</b> 31701-03075
<b>OIR Endorsement Signature &amp; Date:</b>
  <b>Chief Information Officer</b>
<i>NOTE: Proposed contract/grant support is applicable to the subject IT service technical merit.</i>

Office for Information Resources (OIR) pre-approval endorsement appears to be required pursuant to professional service contracting regulations pertaining to procurements with information technology as a component of the scope of service. This request seeks to ensure that OIR is aware of and has an opportunity to review the procurement detailed below and in the attached documents.

Please document OIR endorsement of the described procurement (with the appropriate signature above), and return this document via e-mail at your earliest convenience.

<b>Contracting Agency</b>	<b>Department of Finance and Administration</b>
<b>Agency Contact</b> (name, phone, e-mail)	<b>Leighanne Haynes, 253-4781, <a href="mailto:Leighanne.Haynes@tn.gov">Leighanne.Haynes@tn.gov</a></b>
<b>Subject Procurement Document</b> (mark one)	
<input type="checkbox"/> RFP	<input type="checkbox"/> Contract
<input type="checkbox"/> Competitive Negotiation Request	<input type="checkbox"/> Contract Amendment
<input type="checkbox"/> Alternative Procurement Method Request	<input type="checkbox"/> Grant
<input type="checkbox"/> Non-Competitive Contract Request	<input type="checkbox"/> Grant Amendment
<input checked="" type="checkbox"/> Non-Competitive Amendment Request	
<b>Information Systems Plan (ISP) Project Applicability</b>	
<input checked="" type="checkbox"/> Not Applicable to this Request	
<input type="checkbox"/> Applicable— ISP Project#	
<b>Response Confirmed by IT Director/Staff</b> (name):	

**Applicable RFS #** 31701-03075

**Required Attachments** (as applicable – copies without signatures acceptable)

- RFP, Competitive Negotiation Request, Alternative Procurement Method Request, Non-Competitive Contract Request, Non-Competitive Amendment Request
- Original Contract/Grant or Amendment
- Proposed Contract/Grant or Amendment

**Subject Information Technology Service Description**

(Brief summary of information technology services involved. Clearly identify included technologies such as system development/maintenance, security, networking, etc. As applicable, identify the contract & solicitation sections related to the IT services.)

Amendment is for an FEIN Change Only; no new services.

# 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: [Agspors@state.tn.us](mailto:Agspors@state.tn.us)

APPROVED
COMMISSIONER OF FINANCE & ADMINISTRATION

Request Tracking #	31701-03075
1. Procuring Agency	Department of Finance and Administration
2. Contractor	Science Applications International Corporation (SAIC)
3. Contract #	
4. Proposed Amendment #	2
5. Edlison ID #	35274
6. Contract Begin Date	1/22/2013
7. Current Contract End Date - with ALL options to extend exercised	1/21/2016
8. Proposed Contract End Date - with ALL options to extend exercised	1/21/2016
9. Current Maximum Contract Cost - with ALL options to extend exercised	\$ 2,218,465.00
10. Proposed Maximum Contract Cost - with ALL options to extend exercised	\$ 2,218,465.00
11. Office for Information Resources Endorsement - information technology service (N/A to THDA)	<input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Attached
12. eHealth Initiative Support - health-related professional, pharmaceutical, laboratory, or imaging	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached
13. Human Resources Support - state employee training service	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached
14. Explanation Need for the Proposed Amendment	Amendment is to effect a required FEIN change due to the separation of SAIC into two (2) different companies; SAIC and Leidos. The company named SAIC will continue to provide the services procured under the contract. SAIC has confirmed they will assume all liabilities and responsibilities as written in the contract with the State.
15. Name & Address of the Contractor's Principal Owner(s) - NOT required for a TN state education institution	

<b>Request Tracking #</b>	<b>31701-03075</b>
	<p>John P. Jumper, President  1710 SAIC Drive  McLean, VA 22102</p>
<b>16. Evidence Contractor's Experience &amp; Length Of Experience Providing the Service</b>	<p>The SAIC Team has provided assessment services similar to those required by the State of Tennessee for numerous large organizations. They also had to pass a mandatory requirement that requested confirmation of their experience for their technical proposal to be evaluated. SAIC has confirmed that the State will be working with the same individuals and there are currently no planned changes in the SAIC employees who support the Department.</p>
<b>17. Efforts to Identify Reasonable, Competitive, Procurement Alternatives</b>	<p>SAIC was awarded this contract via RFP less than one year ago. Therefore, no efforts were made to identify competitive procurement alternatives. See explanation in Item 18 below.</p>
<b>18. Justification - specifically explain why non-competitive negotiation is in the best interest of the state</b>	<p>This amendment is an FEIN change only. It does not expand the Scope of Service or procure new services.</p>
<p><b>Agency Head Signature and Date</b> - MUST be signed by the ACTUAL agency head as detailed on the current Signature Certification. Signature by an authorized signatory is <del>acceptable</del> only in documented exigent circumstances</p>	<p>X </p>

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## CONTRACT AMENDMENT

<b>Agency Tracking #</b> 31701-03075	<b>Edison ID</b> NV000...35274	<b>Contract #</b>	<b>Amendment #</b> 2		
<b>Contractor Legal Entity Name</b> Science Applications International Corporation (SAIC)			<b>Edison Vendor ID</b> 67865		
<b>Amendment Purpose &amp; Effect(s)</b> SAIC has separated into two new companies, SAIC and Leidos; Will retain same name, new FEIN.					
<b>Amendment Changes Contract End Date:</b> <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO		<b>End Date:</b> 01/21/2016			
<b>TOTAL Contract Amount INCREASE or DECREASE per this Amendment</b> (zero if N/A):			<b>\$0.00</b>		
<b>Funding —</b>					
<b>FY</b>	<b>State</b>	<b>Federal</b>	<b>Interdepartmental</b>	<b>Other</b>	<b>TOTAL Contract Amount</b>
2013			\$462,633.05		\$462,633.05
2014			\$1,717,601.10		\$1,717,601.10
2015			\$38,230.85		\$38,230.85
<b>TOTAL:</b>			<b>\$2,218,465.00</b>		<b>\$2,218,465.00</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.				<i>OCR USE</i>	
<b>Speed Chart</b> (optional) FA00002429		<b>Account Code</b> (optional) 70899001			

**AMENDMENT 2  
OF CONTRACT 35274**

This Amendment is made and entered by and between the State of Tennessee, Department of Finance and Administration, hereinafter referred to as the "State" and Science Applications International Corporation (SAIC), hereinafter referred to as the "Contractor." It is mutually understood and agreed by and between said, undersigned contracting parties that the subject contract is hereby amended as follows:

1. The following is added as Contract section E.13.:

E.13. Federal Employer Identification Number (FEIN). All references to "95-3630868" shall be deleted and replaced with "46-1932921."

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 12/10/2013. All other terms and conditions of this Contract not expressly amended herein shall remain in full force and effect.

**IN WITNESS WHEREOF,**

**SCIENCE APPLICATIONS INTERNATIONAL CORPORATION (SAIC):**

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**SIGNATURE**

**DATE**

---

**PRINTED NAME AND TITLE OF SIGNATORY (above)**

**DEPARTMENT OF FINANCE AND ADMINISTRATION:**

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**LARRY B. MARTIN, COMMISSIONER**

**DATE**



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  
Steve Southerland  
Randy McNally, *ex officio*  
Lt. Governor Ron Ramsey, *ex officio*

Rep. Mark White, Vice-Chairman

Representatives

Charles Curtiss            Pat Marsh  
Jeremy Faison             Mark Pody  
Brenda Gilmore            David Shepard  
Matthew Hill                Tim Wirgau  
Charles Sargent, *ex officio*  
Speaker Beth Harwell, *ex officio*

MEMORANDUM

TO:                    Mike Perry, Chief Procurement Officer  
                          Department of General Services

FROM:                Senator Bill Ketron, Chairman  
                          Representative Mark White, Vice-Chairman

DATE:                May 16, 2013

SUBJECT:            **Contract Comments**  
                          (Fiscal Review Committee Meeting 5/13/13)

BK MW

RFS# 317.01-03075 (Edison # 35274)

Department: Finance & Administration

Division: Office for Information Resources (OIR)

Vendor: Science Applications International Corporation (SAIC)

Summary: The vendor is responsible for Next Generation Information Technology (IT) assessment and process improvement services. The proposed amendment defines time frames for the State’s review and written approval of deliverables; increases the maximum liability by \$498,892; and prohibits the compensation for “change order” work from exceeding \$616,973 over the contract term.

Current maximum liability: \$1,804,953

Proposed maximum liability: \$2,303,845

After review, the Fiscal Review Committee voted to recommend approval of the contract amendment with the stipulation that the increase in maximum liability be reduced by \$85,000 resulting in a total maximum liability of \$2,218,845.

cc: The Honorable Mark Emkes, Commissioner



**STATE OF TENNESSEE**  
**DEPARTMENT OF FINANCE AND ADMINISTRATION**  
**OFFICE FOR INFORMATION RESOURCES**  
**312 EIGHTH AVENUE NORTH**  
**SUITE 1600, TENNESSEE TOWER**  
**NASHVILLE, TENNESSEE 37243-0288**  
**(615) 741-3700**  
**FAX (615) 532-0471**

**MARK EMKES**  
**COMMISSIONER**

**MARK BENDEL**  
**CHIEF INFORMATION OFFICER**

April 30, 2013

Mr. Lucian Geise  
Executive Director  
Fiscal Review Committee  
8<sup>th</sup> Floor, Rachel Jackson Bldg.  
Nashville, TN

Dear Sir:

Please find attached, for the Fiscal Review Committee's consideration, documentation of an Amendment request pertaining to the State's contract with Science Applications International Corporation (SAIC) for the provision of Next Generation Information Technology assessment services. The Department of Finance and Administration respectfully requests to be placed on the agenda to present this request at the next Fiscal Review Committee meeting.

To facilitate the Committee's review, we present the following summary of the amendment:

This contract is used to perform a Next Generation Information Technology ("NextGen IT") Assessment for the State. In the course of this assessment, SAIC will assess the IT organizations in State agencies to determine current and future IT support needs and recommend practical ways to improve the quality of the IT services provided. With the contract, the State can also request SAIC assist with IT staff mapping and training and the implementation of approved recommendations.

This amendment increases the funds allocated to Professional Services hours in the contract, thereby also increasing the Maximum Liability, in order for SAIC to perform newly defined tasks within the allowable contract assessment services, including assistance with IT training programs, IT job classifications, and assessments for agencies that were not included in the contract when bid. The amendment also defines time frames and State written approval for deliverable acceptance.

Thank you for your consideration of this request. We look forward to appearing before the Committee at its next scheduled meeting.

Sincerely,

Mark Bengel  
Chief Information Officer

Supplemental Documentation Required for  
Fiscal Review Committee

*Contact Name:	Leighanne Haynes	*Contact Phone:	253-4781		
*Original Contract Number:	35274	*Original RFS Number:	31701-03075		
Edison Contract Number: <i>(if applicable)</i>	35274	Edison RFS Number: <i>(if applicable)</i>			
*Original Contract Begin Date:	1/22/2013	*Current End Date:	1/21/2016		
Current Request Amendment Number: <i>(if applicable)</i>	1				
Proposed Amendment Effective Date: <i>(if applicable)</i>	7/1/2013				
*Department Submitting:	Finance and Administration				
*Division:	OIR				
*Date Submitted:	4/30/2013				
*Submitted Within Sixty (60) days:	Yes				
<i>If not, explain:</i>					
*Contract Vendor Name:	Science Applications International Corporation (SAIC)				
*Current Maximum Liability:	\$1,804,953.00				
<b>*Current Contract Allocation by Fiscal Year: (as Shown on Most Current Fully Executed Contract Summary Sheet)</b>					
FY: 2013	FY: 2014	FY: 2015	FY	FY	FY
\$462,633.05	\$1,304,089.10	\$38230.85	\$	\$	\$
<b>*Current Total Expenditures by Fiscal Year of Contract: (attach backup documentation from STARS or FDAS report) No invoices have been received as of April 30, 2013.</b>					
FY: 2013	FY:	FY:	FY:	FY	FY
\$0		\$	\$	\$	\$
<b>IF</b> Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:			Yearly allocations were estimates of anticipated services at the time the Contract was established.		
<b>IF</b> surplus funds have been carried forward, please give the reasons and provide the authority for the carry forward provision:			Surplus funds were not carried forward.		
<b>IF</b> Contract Expenditures exceeded Contract Allocation, please give the reasons and explain how funding was acquired to pay the overage:			Contract expenditures have not exceeded the Contract maximum liability		

Supplemental Documentation Required for  
Fiscal Review Committee

<b>*Contract Funding Source/Amount:</b>	<b>State:</b>		<b>Federal:</b>	
<b>Interdepartmental:</b>		\$2,303,845.00	<i>Other:</i>	
<b>If “<i>other</i>” please define:</b>			<b>If applicable</b>	
<b>Dates of All Previous Amendments or Revisions: (<i>if applicable</i>)</b>			<b>Brief Description of Actions in Previous Amendments or Revisions: (<i>if applicable</i>)</b>	
N/A				
<b>Method of Original Award: (<i>if applicable</i>)</b>			<b>RFP</b>	
<b>*What were the projected costs of the service for the entire term of the contract prior to contract award?</b>			The program area could not project cost prior to receiving proposals, due to variability of services and therefore relied upon the actual proposed amounts to derive the projected costs.	

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.

**Please see the attached spreadsheet for the hours used to calculate the increase in Contract Section C.3.f. The spreadsheet lists tasks to be performed and estimated hours to complete those tasks using Contract Section A.9 NextGen IT Assessment Professional Services.**

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

**The addition of Contract Section A.14 clarifies time frames and adds State written approval for deliverable acceptance; the section has no monetary effect on the Contract.**

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

Deliverable description:	FY:	FY:	FY:	FY:	FY:
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Please see the attached spreadsheet for tasks to be performed and estimated hours to complete those tasks using Contract Section A.9 NextGen IT Assessment Professional Services.

**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:
--------------------------	-----	-----	-----	-----	-----

This contract is used to perform a Next Generation Information Technology (“NextGen IT”) Assessment. In the course of this assessment, SAIC will assess the IT organizations in State agencies to determine current and future IT support needs and recommend practical ways to improve the quality of the IT services provided. The State can also request SAIC assist with IT staff mapping and training and the implementation of approved recommendations. Currently the State spends \$12M on IT Pro contractors, we anticipate \$600,000 savings in fiscal year 2015, \$3M in fiscal year 2016, and \$6M annually beginning in fiscal year 2017.

**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:
--	-----	-----	-----	-----	-----

SAIC was awarded this contract via RFP and therefore, the prices in the contract were determined competitively. In addition, SAIC has gained knowledge and experience with the NextGen IT project and the State’s IT staffing needs during already completed NextGen IT assessment tasks that can be applied to the tasks associated with this Amendment, thereby

Supplemental Documentation Required for  
Fiscal Review Committee

reducing costs.					
Other Vendor Cost: (name of vendor)	FY:	FY:	FY:	FY:	FY:
Other Vendor Cost: (name of vendor)	FY:	FY:	FY:	FY:	FY:

## Next Generation IT Contract Amendment 1 Additional Funds

<b>Professional Services Hourly Rates</b>		
<i>All services will be performed using the competitively bid hourly rates already in the contract.</i>		
	Contract Year 1 (1/22/2013 - 1/21/2014) Hourly Rate	\$ 139.24
	Contract Year 2 (1/22/2014 - 1/21/2015) Hourly Rate	\$ 142.30

<i>Professional Services to be used for training program assistance, training RFP development, additional assessments, classification salary verification, career path progression, job classification verification, SDLC development, continuous improvement model, global knowledge base, enterprise integration strategy and architecture, roles and responsibilities document review and recommendations.</i>	Year 1	2050 Hours	\$ 285,442.00
	Year 2	1500 Hours	\$ 213,450.00
	Total	3550 Hours	\$ 498,892.00

Additional Professional Services Funds (Amount Increase per This Amendment)	\$ 498,892.00
Professional Services Funds Already in Contract	\$ 118,081.00
<b>Total Professional Services Funds as Amended (Contract Section C.3.f)</b>	<b>\$ 616,973.00</b>

<b>Maximum Liability Calculation</b>		
<i>The funds requested in the amendment will be added to FY2014.</i>		
	FY2013	\$ 462,633.05
	FY2014	\$ 1,802,981.10
	FY2015	\$ 38,230.85
<b>New Maximum Liability</b>		<b>\$ 2,303,845.00</b>





## OIR Pre-Approval Endorsement Request E-Mail Transmittal

**TO :** Jane Chittenden, OIR Procurement & Contract Management Director  
Department of Finance & Administration  
E-mail : [Jane.Chittenden@tn.gov](mailto:Jane.Chittenden@tn.gov)

**FROM :** Jane Chittenden  
E-mail : [Jane.Chittenden@tn.gov](mailto:Jane.Chittenden@tn.gov)

**DATE :** 4/29/13

**RE :** Request for OIR Pre-Approval Endorsement

**Applicable RFS #** 31701-03075

**OIR Endorsement Signature & Date:**

*Mark Brungel (gc)*  
Chief Information Officer

4/29/13

*NOTE: Proposed contract/grant support is applicable to the subject IT service technical merit.*

Office for Information Resources (OIR) pre-approval endorsement appears to be required pursuant to professional service contracting regulations pertaining to procurements with information technology as a component of the scope of service. This request seeks to ensure that OIR is aware of and has an opportunity to review the procurement detailed below and in the attached documents.

Please document OIR endorsement of the described procurement (with the appropriate signature above), and return this document via e-mail at your earliest convenience.

<b>Contracting Agency</b>	<b>F&amp;A</b>
<b>Agency Contact</b> (name, phone, e-mail)	<b>Leighanne Haynes</b>
<b>Subject Procurement Document</b> (mark one)	
<input type="checkbox"/> RFP	<input type="checkbox"/> Contract
<input type="checkbox"/> Competitive Negotiation Request	<input checked="" type="checkbox"/> Contract Amendment
<input type="checkbox"/> Alternative Procurement Method Request	<input type="checkbox"/> Grant
<input type="checkbox"/> Non-Competitive Contract Request	<input type="checkbox"/> Grant Amendment
<input type="checkbox"/> Non-Competitive Amendment Request	
<b>Information Systems Plan (ISP) Project Applicability</b>	
<input checked="" type="checkbox"/> Not Applicable to this Request	
<input type="checkbox"/> Applicable— ISP Project#	
<b>Response Confirmed by IT Director/Staff</b> (name): <b>Jane Chittenden</b>	

**Applicable RFS #** 31701-03075

**Required Attachments** (as applicable – copies without signatures acceptable)

- RFP, Competitive Negotiation Request, Alternative Procurement Method Request, Non-Competitive Contract Request, Non-Competitive Amendment Request
- Original Contract/Grant or Amendment
- Proposed Contract/Grant or Amendment

**Subject Information Technology Service Description**

(Brief summary of information technology services involved. Clearly identify included technologies such as system development/maintenance, security, networking, etc. As applicable, identify the contract & solicitation sections related to the IT services.)

Next Generation IT Amendment 1

# 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](mailto:Agsprs.Agsprs@state.tn.us)

APPROVED

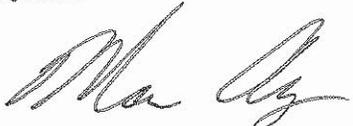
COMMISSIONER OF FINANCE & ADMINISTRATION

Request Tracking #	31701-03075	
1. Procuring Agency	Finance and Administration	
2. Contractor	Science Applications International Corporation (SAIC)	
3. Contract #	35274	
4. Proposed Amendment #	1	
5. Edison ID #	35274	
6. Contract Begin Date	1/22/2013	
7. Current Contract End Date – with ALL options to extend exercised	1/21/2016	
8. Proposed Contract End Date – with ALL options to extend exercised	1/21/2016	
9. Current Maximum Contract Cost – with ALL options to extend exercised	\$1,804,953.00	
10. Proposed Maximum Contract Cost – with ALL options to extend exercised	\$2,303,845.00	
11. Office for Information Resources Endorsement – information technology service (N/A to THDA)	<input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Attached	
12. eHealth Initiative Support – health-related professional, pharmaceutical, laboratory, or imaging	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached	
13. Human Resources Support – state employee training service	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached	
14. Explanation Need for the Proposed Amendment	<p>This contract is used to perform a Next Generation Information Technology (“NextGen IT”) Assessment for the State. In the course of this assessment, SAIC will assess the IT organizations in State agencies to determine current and future IT support needs and recommend practical ways to improve the quality of the IT services provided. With the contract, the State can also request SAIC assist with IT staff mapping and training and the implementation of approved recommendations.</p> <p>This amendment adds money to the Maximum Liability to purchase additional Professional Services hours for newly defined tasks within the allowable contract assessment services, including</p>	

Request Tracking #	31701-03075
<p>assistance with IT training programs, IT job classifications, and assessments for agencies that were not included when the contract was bid. The amendment also defines time frames and State written approval for deliverable acceptance.</p>	
<p><b>15. Name &amp; Address of the Contractor's Principal Owner(s)</b>  <i>- NOT required for a TN state education institution</i></p> <p>John P. Jumper, President.  1710 SAIC Drive  McLean, VA 22102</p>	
<p><b>16. Evidence Contractor's Experience &amp; Length Of Experience Providing the Service</b></p> <p>The SAIC Team has provided assessment services similar to those required by the State of Tennessee for numerous large organizations, state governments and agencies, and commercial entities. One comparable assessment was with the State of Utah, Department of Technology Services where they supported the transformation of IT services across the State.</p>	
<p><b>17. Efforts to Identify Reasonable, Competitive, Procurement Alternatives</b></p> <p>SAIC was awarded this contract via RFP and therefore, the prices in the contract were determined competitively.</p>	
<p><b>18. Justification</b> <i>- specifically explain why non-competitive negotiation is in the best interest of the state</i></p> <p>SAIC has gained knowledge and experience with the NextGen IT project and the State's IT staffing needs during already completed NextGen IT assessment tasks that can be applied to the tasks associated with this Amendment, thereby reducing costs.</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><i>John P. Jumper 4/25/13</i></p>  	



# CONTRACT AMENDMENT

Agency Tracking # 31701-03075	Edison ID 35274	Contract # 35274	Amendment # 1		
Contractor Legal Entity Name Science Applications International Corporation (SAIC)			Edison Vendor ID 67865		
Amendment Purpose & Effect(s) Adds money to purchase additional Professional Services at the competitively bid hourly rates in the contract.					
Amendment Changes Contract End Date: <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO		End Date: 01/21/2016			
TOTAL Contract Amount INCREASE or DECREASE per this Amendment (zero if N/A):			\$413,512.00		
Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2013			\$462,633.05		\$462,633.05
2014			\$1,717,601.10		\$1,717,601.10
2015			\$38,230.85		\$38,230.85
TOTAL:			\$2,218,465.00		\$2,218,465.00
American Recovery and Reinvestment Act (ARRA) Funding: <input type="checkbox"/> YES <input checked="" type="checkbox"/> 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.  			OCR USE		
Speed Chart (optional) FA00002429		Account Code (optional) 70899001			



**AMENDMENT 1  
OF CONTRACT ED 35274**

This Amendment is made and entered by and between the State of Tennessee, Department of Finance and Administration, hereinafter referred to as the "State" and Science Applications International Corporation (SAIC), hereinafter referred to as the "Contractor." It is mutually understood and agreed by and between said, undersigned contracting parties that the subject contract is hereby amended as follows:

1. The following is added as Contract Section A. 14.
  - A.14. Deliverable Acceptance. Deliverables shall be reviewed and approved by the State of Tennessee Project Manager and other designated State stakeholders. The State will complete review of each deliverable and provide review results in writing to the Contractor within a time frame determined by the scope and complexity of the deliverable; most time frames are expected to be ten (10) business days, but some time frames may be longer. The review cycle will begin on the next business day after the date the Contractor submits the deliverable to the State for review. The State will formally communicate to the Contractor in writing any deficiencies found in a deliverable. The review cycle will start over when the corrected deliverable is returned to the State. The State of Tennessee Project Manager will provide written approval of the deliverable to the Contractor when all designated State reviewers have approved the deliverable.
  
2. 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 Two Million Two Hundred Eighteen Thousand Four Hundred Sixty-Five Dollars (\$2,218,465.00). The payment rates in section C.3 shall constitute the entire compensation due the Contractor for all service and Contractor obligations hereunder regardless of the difficulty, materials or equipment required. The payment rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the State. The maximum liability represents available funds for payment to the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with the payment rates detailed in section C.3. The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract.
  
3. Contract section C.3.f is deleted in its entirety and replaced with the following:
  - C.3.f. The Contractor shall be compensated for changes requested and performed pursuant to Contract Section A.9, without a formal amendment of this contract based upon the payment rates detailed in the Contract Section C.3.d above and as agreed pursuant to said Section A.9, PROVIDED THAT compensation to the Contractor for such "change order" work shall not exceed Five Hundred Thirty-One Thousand Five Hundred Ninety-Three Dollars (\$531,593.00) over the Contract Term. If, at any point during the Contract period, the State determines that the cost of necessary Professional Services work would exceed said maximum amount, the State may amend this Contract to address the need.

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 7/1/2013. All other terms and conditions of this Contract not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF,

SCIENCE APPLICATIONS INTERNATIONAL CORPORATION (SAIC):

*Ramona L. Wilson*

*May 28, 2013*

SIGNATURE

DATE

*RAMONA L. Wilson, Sr. Contracts Representative*

PRINTED NAME AND TITLE OF SIGNATORY (above)

DEPARTMENT OF FINANCE AND ADMINISTRATION:

*Mark A. Emkes*

*5/30/13*

MARK A. EMKES, COMMISSIONER

DATE



# CONTRACT

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

Begin Date January 22, 2013	End Date January 21, 2016	Agency Tracking # 31701-03075	Edison Record ID <b>35274</b>
Contractor Legal Entity Name Science Applications International Corporation (SAIC)			Edison Vendor ID 0000067865

Service Caption (one line only)  
Next Generation IT Assessment and process improvement services

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

Funding --					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2013			\$462,633.05		\$462,633.05
2014			\$1,304,089.10		\$1,304,089.10
2015			\$38,230.85		\$38,230.85
<b>TOTAL:</b>			<b>\$1,804,953.00</b>		<b>\$1,804,953.00</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."

<p>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.</p> 	OCR USE - FA
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Speed Chart (optional) FA00002429	Account Code (optional) 70899001
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**CONTRACT  
BETWEEN THE STATE OF TENNESSEE,  
DEPARTMENT OF FINANCE AND ADMINISTRATION  
AND  
SCIENCE APPLICATIONS INTERNATIONAL CORPORATION (SAIC)**

This Contract, by and between the State of Tennessee, Department of Finance and Administration, hereinafter referred to as the "State" and Science Applications International Corporation (SAIC), hereinafter referred to as the "Contractor," is for the provision of Next Generation Information Technology (IT) assessment and process improvement services (collectively referred to as "NextGen IT Assessment"), as further defined in the "SCOPE OF SERVICES."

The Contractor is a For-Profit Corporation.  
Contractor Place of Incorporation or Organization: State of Delaware  
Contractor Edison Registration ID # 0000067865

**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 conduct independent assessments of multiple State Agencies' Information Technology (IT) organizations (see RFP Attachment 6.7, Agency Profiles), with the goal of improving the quality of IT services provided. The assessment process comprises the following tasks:
- a. Definite:
    - i. Planning
    - ii. Agency IT Environment Assessments
    - iii. Global Standardized Methods and Practices Recommendations
    - iv. Global Governance Recommendations
  - b. Optional, at the State's request:
    - i. IT Staff Mapping and Training
    - ii. Implementation
    - iii. NextGen IT Assessment Professional Services

The tasks outlined above are described in more detail in the following sections.

**A.3. Planning.**

- a. The State will develop, and provide draft documentation of the following processes currently in place at the State:
- [Note: these documents will not be included in the RFP, but will be provided to the Contractor on or near the start date of the Contract.]
- i. IT Roles and Responsibilities – a high-level discussion of typical agency IT roles vs. Office for Information Resources (OIR)/Business Solutions Delivery (BSD) roles
  - ii. Project Management Methodology
  - iii. Business Analysis Methodology
  - iv. Business Process Management approach
  - v. Testing approach



- vi. Quality Assurance
- vii. Organizational Change Management Methodology
- b. As soon as possible after Contract start date, the Contractor will complete its review of the draft documents from Contract Section A.3.a, above.
- c. The Contractor will then meet with the State to review and address any concerns with the following documents:
  - i. Documents listed in Contract Section A.3.a, above
  - ii. The following documents, initial versions of which were provided by the Contractor in response to the NextGen IT Assessment RFP:
    - (1) Contractor project team structure and resumes (RFP Attachment 6.2, Section B, Items B.12 and B.13).
    - (2) Initial Implementation Plan, including the following sections:
      - (a) Processes
      - (b) Milestones
      - (c) Sample Deliverables – This will include the following:
        - (i) Sample deliverables from previous projects on which the Contractor has worked;
        - (ii) High-level tables of contents (TOCs) for the deliverables listed in this Section A, Scope of Services; and
        - (iii) Any additional TOC items or deliverables that the Contractor believes will be beneficial.

The State and the Contractor will develop and agree on the expected content and structure of deliverables. Note that the State reserves the right to make reasonable changes to the expected content and structure of deliverables without additional cost to the State.

  - (d) Initial Communication Plan – for each Agency assessment, the Plan shall describe an approach to achieve effective communication between that Agency's Commissioner, Deputy Commissioner, and IT Director; as well as the Chief Information Officer (CIO) and Business Solutions Delivery (BSD) group. The Plan shall also discuss the Contractor's approach to training the interviewers who will perform the skills assessments, to insure that they are sensitive to Agency staff members' concerns regarding the purpose of the assessments.

- d. The Contractor will revise the Initial Implementation Plan provided in response to the NextGen IT Assessment RFP, as necessary.
- e. The Contractor and State executive/management staff will work together to identify potential risks involved with the assessment process and will devise means to mitigate the identified risks. The Contractor will document the results of this process.
- f. Planning Deliverables: The Contractor will provide:



- i. Revised Implementation Plan
- ii. Assessment Risks and Mitigation Plan

A.4. Agency IT Environment Assessments.

For each Agency, the Contractor will:

- a. Document IT work that must be done and the tools and skills required to successfully provide Agency IT services, to include the following:
  - i. Comprehensive list of all applications, systems, technologies, and software currently supported and used
  - ii. Comprehensive list of all IT services currently supported/provided by internal Agency staff
  - iii. A recommended list of applications, systems, technologies, and software that are needed to improve the provision of IT services
  - iv. Business functions (missions and goals) and locations
  - v. Projects currently underway, as well as those in planning stages

This task will require the use of targeted interviews, focusing on Agency IT management and some staff.

- b. Document the Agency IT management hierarchy, organizational structure, and IT-related business and/or technical objectives.
- c. Identify current Agency IT Methods and Practices, and map against appropriate Industry Standard Best Methods and Practices, and identify gaps preventing success. Provide recommendations for additional Methods and Practices necessary for success.
- d. Document the current Agency IT Governance structures and processes. Provide recommendations for revised Agency IT Governance structure/processes.
- e. Assess IT management and staff responsibilities and skills. The Contractor will:
  - i. Document the job roles and responsibilities of Agency management and staff. These must be listed individually by staff member. At the State's request, the Contractor will code the assessments to protect the identities of interviewees. This will be determined during the Planning process, described above.
  - ii. Inventory the current skills of Agency management and staff members; this includes all IT-related skills possessed and will not be limited to skills related to an individual's current job classification. The target staff for this inventory will include personnel occupying IT job classifications, personnel deemed to be fulfilling an IT function, and any personnel identified by the Agency's Management. In the event that additional interview candidates are identified after the Contract start date, the state will compensate the Contractor for the additional work using Professional Services hourly rates.

The Contractor will not perform a skills assessment of contractors/consultants assigned to IT roles, but will note the tasks they are performing.
  - iii. Identify IT-related certifications obtained by management and staff members.
  - iv. Perform both technical skills assessment and managerial/leadership skills assessment for each member identified on the management team.



- v. Discuss IT skills individually with each staff member. In addition to an evaluation of technical skills, emphasis should be given to communication, leadership, management, and other skills as appropriate to the position.
- vi. Specific to IT Management, provide a questionnaire to obtain a comprehensive profile that will include, but not be limited to, the following criteria:
  - (1) technical unit structure
  - (2) staffing levels, competencies
  - (3) work/intake
  - (4) vendor managed systems
  - (5) tools
  - (6) leadership challenges
  - (7) service catalogue
  - (8) OIR relationship/interaction
- vii. Specific to staff members, provide a questionnaire to gain the staff members' perspective that will include, but not be limited to, the following criteria:
  - (1) Work Environment
  - (2) Teamwork
  - (3) Management and Supervision Relationships
  - (4) Technical Interest and Professional Development Planning
- viii. Allow for wrap-up sessions with each staff member to permit additional questions or concerns associated with the interview process
- ix. Use a State-approved industry-standard method to rate the staff members on the parameters discussed in this Contract Section, including but not limited to technical, communication, and managerial/leadership skills.
- x. Prior to interviewing any IT staff, ensure that Contractor interviewers have been carefully screened, trained in effective interview techniques, and sensitized to employee's concerns regarding the purpose of the assessments. The State's assumption is that interviews will be conducted face-to-face; however, with prior State approval limited exceptions may be made to this rule.
- f. Provide recommendations on an optimum range for the number of IT staff with specific skills and certifications required for ideal performance, to successfully support the Agency's IT work.
- g. Perform Resource/Skills gap analysis. This analysis will be based on the foregoing assessment tasks. A matrix will be developed to demonstrate the gap, if any, between the existing staffing and skills and the Contractor's recommendations for optimum staffing and skills. The Contractor shall quantify risk associated with any discrepancies identified.
- h. Identify additional training and certifications needed for staff to be effective.



- i. Provide recommendations on the types of hard metrics necessary to provide adequate visibility into ongoing process improvement, skills, and process-fit improvement activities.
- j. Identify barriers to Agency IT success, including, but not limited to:
  - i. Governance and Organization Structure
  - ii. Flawed leadership/management
  - iii. Inadequate communication
  - iv. Flawed or missing policies, processes, and procedures
  - v. Antiquated technologies, software, and other tools
  - vi. Inadequate training
- k. Make arrangements to accommodate special needs interviewees.
- l. Agency IT Environment Assessment Deliverables. The Contractor will provide:
  - i. Assessment Summary Document specific to each Agency, including, but not limited to:
    - (1) Executive summary section, which will succinctly state all of the major findings and recommendations.
    - (2) Agency IT Services Scope and Recommendations
      - (a) IT environment description, including the applications, systems, technologies, and software currently supported and used.
      - (b) IT services currently supported/provided by internal IT Agency staff.
      - (c) Written recommendations for systems and processes to enable effective IT support; including but not limited to: applications, systems, technologies, and software.
      - (d) Business functions (missions and goals) and locations.
      - (e) Projects currently underway, as well as those in planning stages.
    - (3) Agency Organizational Structure and Objectives
      - (a) Agency IT management hierarchy, organizational structure, and IT-related business and/or technical objectives.
      - (b) Recommended Organizational Structure to most effectively provide the Agency's IT Services.
    - (4) Current agency IT Methods and Practices, including recommendations for additional and/or modified Methods and Practices necessary for success.
    - (5) Document the current Agency IT Governance structures/processes, including recommendations for revised Agency IT Governance structures/processes.
    - (6) Skills assessment report results, listed individually by management/staff member, addressing: IT Management and Staff job roles and responsibilities; current technical, managerial, leadership, communication skills, etc.; and certifications obtained.



- (7) Agency Staffing Plan – Contractor describes the optimum range for the number of IT staff, including the skills and certifications required to successfully perform the IT work.
  - (8) Resource/Skills Gap Analysis
  - (9) Recommendations for systems and processes that will enable the organization to meet the gap between need and optimal performance
  - (10) Additional required training and certifications
  - (11) Recommended hard metrics
  - (12) Barriers to Success
  - (13) Other recommendations and discovery that the Contractor feels are critical to the success of the organization.
- ii. Written report and oral presentation to Agency Commissioner (or designee) and the CIO.
  - iii. At Agency Commissioner or CIO's request, availability for briefing on results of Agency assessment.
- m. The State will compensate the Contractor for Agency IT Environment Assessment with a one-time, fixed-price payment per State Agency, in accordance with Contract Section C.3.b.

A.5. Global Standardized Methods and Practices Recommendations.

- a. After the Contractor has completed the Agency IT Environment Assessments for the initial five State Agencies (see RFP Attachment 6.7, Agency Profiles), the Contractor will recommend Standardized Methods and Practices. These recommendations will have a "global" emphasis, to help ensure that the Methods and Practices are, to the greatest extent practicable, standard and consistent across all Agencies. To prepare this recommendation, the Contractor will use information gathered by assessing each Agency, along with the Contractor's own knowledge and experience.
- b. Global Standardized Methods and Practices Recommendations Deliverables. The Contractor will provide.
  - i. Recommended Global Standardized Methods and Practices. This document must address agency-specific Methods and Practices, and how these fit into an overall standardized approach at the Executive Branch level.
  - iii. Potential barriers to Agency adoption of Standardized Methods and Practices, and recommendations for overcoming these barriers.
  - iv. Anticipated results if the Standardized Method and Practices are adopted.
  - v. Deliverables will be provided to NextGen Steering Committee and CIO.
- c. The State will compensate the Contractor for Global Standardized Methods and Practices Recommendations with a one-time, fixed-price payment, in accordance with Contract Section C.3.c.

A.6. Global Governance Recommendations.

- a. After the Contractor has completed the Agency IT Environment Assessments for the initial five State Agencies (see RFP Attachment 6.7, Agency Profiles), the Contractor will submit recommendations for improving the State's IT governance structures and processes. These recommendations will be based upon the Contractor's assessment of current Agency IT Governance structures and processes, which occurred during the Agency IT



Environment Assessment task. The recommendation will have a global emphasis, with a focus on improving the overall governance structures and interactions among Agencies, OIR, and BSD.

- b. Global Governance Recommendations Deliverables. The Contractor will provide:
- i. Global Governance Recommendations at the Executive Branch level. This document will include, but not be limited to, the following:
    - (1) Methods for aligning IT strategy with business strategy
    - (2) Relationship structure for reporting and coordination of efforts with the following areas:
      - a. Agency Business Units
      - b. Agency IT Units
      - c. Business Solutions Delivery (Executive Branch Project Management Office)
      - d. Office for Information Resources
      - e. Governor's Office
    - (3) Processes for measuring performance
    - (4) Methods for identifying and prioritizing IT work
    - (5) Any other recommendations deemed appropriate by the Contractor.
  - c. The State will compensate the Contractor for Global Governance Recommendations with a one-time, fixed-price payment, in accordance with Contract Section C.3.c.

A.7. IT Staff Mapping and Training.

The Contractor involvement for IT Staff Mapping and Training is an optional consulting service. At the State's request, the Contractor will:

- a. Map current State IT staffs job classifications to the new job classifications provided by the State's Department of Human Resources.
- b. Provide assistance in the development of a centralized IT Training program, including skills certifications and testing processes.
- c. Deliverables are dependent upon the specific IT Staff Mapping and Training tasks assigned to the Contractor.
- d. The State will compensate the Contractor for IT Staff Mapping and Training on an hourly-rate, as-used basis, in accordance with Contract Section C.3.d.

A.8. Implementation.

The Contractor involvement for Implementation is an optional consulting service. The State will assess the recommendations made by the Contractor throughout the assessment process and may request that the Contractor assist Agencies with the implementation of State-approved recommendations. At the State's request, the Contractor will assist the State as follows:



- a. The Contractor will provide the following:
  - i. Assistance in implementing the recommendations made in the Agency IT Environment Assessments (Contract Section A.4).
  - ii. Assistance in formalizing and implementing the Global Standardized Methods and Practices recommendations (Contract Section A.5).
  - iii. Assistance in formalizing and implementing recommended the Global Governance Recommendations (Contract Section A.6). The State may request that the Contractor produce an overarching Governance model describing the responsibilities and intersection among Agencies, OIR, and BSD.
  - iv. IT Staff Mapping and Training tasks as assigned by the State (Contract Section A.7). This may include the Contractor providing assistance/direction to facilitate employees receiving appropriate training. The State will actually conduct the training.
  - v. Project management
- b. Report results to upper management
- c. Deliverables are dependent upon the specific Implementation tasks assigned to the Contractor.
- d. The State will compensate the Contractor for implementation on an hourly-rate, as-used basis, in accordance with Contract Section C.3.d.

A.9. NextGen IT Assessment Professional Services.

- a. At the State's option, the State may request Professional Services to perform the following tasks:
  - i. Implementation (Contract Section A.8)
  - ii. Other unforeseen but necessary tasks, such as the need to interview additional staff members, as mentioned in Pro Forma Scope of Services, Contract Section A.4.e.ii above.
- b. Requests for Professional Services shall be processed in accordance with the provisions detailed in Contract Section A.12, below.
- c. The State will compensate the Contractor for NextGen IT Assessment Professional Services on an hourly-rate, as-used basis, in accordance with Contract Section C.3.d.

A.10. The Contractor must complete the assessment of five (5) State Agencies by June 30, 2013. The remainder of the Agencies must be completed by the end of State Fiscal Year 2014 (i.e., June 30, 2014). The Contractor must be prepared to overlap agency assessment work such that the process is not done strictly linearly. The State reserves the right to determine / change the order of the Departments to be assessed, the Department's schedule and/or deliverable payment points.

A.11. Staffing.

- a. The Contractor must maintain an organization sufficient to administer and manage all aspects of the Contract in a timely manner.
- b. The Contractor shall establish a team of qualified employees able to adjust staffing needs to appropriate levels in order to provide services as required by the State.



- c. The Contractor shall provide a primary contact that will function as an overarching Project Manager to interface with State management.
- d. The Contractor shall notify the State at least thirty (30) days in advance of any changes in the primary contact. Any replacement to the designated individual occupying this position shall possess equal qualifications and experience. The State retains the right to request alternative personnel assigned to the key contact position or any other position associated with this Contract.

A.12. Statements of Work (SOWs).

- a. From time to time during the term of the Contract, the State may need the Contractor to provide Professional Services within the general Scope of Services of the Contract, but not explicitly defined therein. The State shall issue a SOW requesting such services as follows:
  - i. The State will provide the Contractor with a general description of the new services to be provided and/or the business requirements or the desired outcome. The general description shall, at minimum, contain a description of the work to be performed, schedule, the deliverable(s) desired to result from the performance of the work, and such other provisions as are necessary to describe the associated work.
  - ii. Contractor will prepare and deliver a proposal to the State.
  - iii. The State will review Contractor's proposal and may request changes.
  - iv. The State and the Contractor will agree upon the final requested work, budget, and schedule. The State reserves the right to change the schedule, budget, and/or re-prioritize any approved work or cancel the SOW.
  - v. Once the SOW is approved by the State, the Contractor shall perform the associated project work as described.
- b. All SOWs are subject to the terms and conditions of this Contract.
- c. The criteria for acceptance of deliverables shall be as defined in the SOW.

A.13. Information Security Compliance. The Contractor warrants to the State that it is familiar with the requirements of the State of Tennessee Information Technology Security Policies, which are based on the International Standards Organization (ISO) 17799 standard framework and can be found on the Tennessee State public website at:

<http://www.tn.gov/finance/oir/security/secpolicy.html>

The Contractor warrants that it will cooperate with the State in the course of performance of the Contract so that both parties will be in compliance with State Information Technology requirements and any other state and federal computer security regulations including cooperation and coordination with State computer security officials and other compliance officers required by its regulations. The Contractor staff may be required to undergo background checks.

The Contractor agrees to abide by the following:

- a. Not attaching any non-state owned computers to any state network without previous State-provided, written certificate of compliance with minimum state security standards;
- b. All client and server computer security settings must be maintained to meet or exceed minimum state security standards;
- c. Once established, no security provisions for firewalls, client and server computers will be modified without written state approval;



- d. Current updated virus software and virus definition files that are enabled to perform real time scans will be maintained on all contractor-supplied hardware;
- e. Dialup modem use is specifically disallowed while attached to the state network; and
- f. The Contractor will not install or utilize remote control or file sharing software unless explicitly approved by the State.

**B. CONTRACT PERIOD:**

- B.1. Initial Term. This Contract shall be effective for the period beginning January 22, 2013, and ending on January 21, 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 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 One Million Eight Hundred Four Thousand Nine Hundred Fifty-Three Dollars (\$1,804,953.00). 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. 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. For Agency IT Environment Assessment, the Contractor shall be compensated for said units, milestones, or increments of service based upon the following payment rates:

Service Description	Amount (per compensable increment)
Safety Assessment (Contract Sections A.2 through A.4; and A.10 )	\$ 87,138.08 each



Financial Institutions Assessment (Contract Sections A.2 through A.4; and A.10 )	\$ 60,274.88 each
Economic and Community Development Assessment (Contract Sections A.2 through A.4; and A.10 )	\$ 77,872.56 each
Health Assessment (Contract Sections A.2 through A.4; and A.10 )	\$ 97,906.23 each
Correction & Probation Assessment (Contract Sections A.2 through A.4; and A.10 )	\$ 72,441.30 each
TennCare Assessment (Contract Sections A.2 through A.4; and A.10 )	\$ 83,030.72 each
Bureau of Investigations Assessment (Contract Sections A.2 through A.4; and A.10 )	\$ 64,133.53 each
Transportation Assessment (Contract Sections A.2 through A.4; and A.10 )	\$ 103,844.81 each
Finance and Administration (excludes OIR) Assessment (Contract Sections A.2 through A.4; and A.10 )	\$ 71,156.34 each
ERP Assessment (Contract Sections A.2 through A.4; and A.10 )	\$ 93,333.55 each
Commerce & Insurance Assessment (Contract Sections A.2 through A.4; and A.10 )	\$ 69,384.73 each
General Services Assessment (Contract Sections A.2 through A.4; and A.10 )	\$ 66,756.28 each
Revenue Assessment (Contract Sections A.2 through A.4; and A.10 )	\$ 88,262.50 each
Environment and Conservation Assessment (Contract Sections A.2 through A.4; and A.10 )	\$ 104,682.60 each
Mental Health Assessment (Contract Sections A.2 through A.4; and A.10 )	\$ 66,448.86 each
Intellectual and Developmental Disabilities Assessment (Contract Sections A.2 through A.4; and A.10 )	\$ 73,046.36 each
Agriculture Assessment (Contract Sections A.2 through A.4; and A.10 )	\$ 55,304.99 each
Education Assessment (Contract Sections A.2 through A.4; and A.10 )	\$ 73,431.50 each
TWRA Assessment (Contract Sections A.2 through A.4; and A.10 )	\$ 65,054.69 each
Office for Information Resources (OIR) Assessment (Contract Sections A.2 through A.4; and A.10 )	\$ 159,217.64 each

c. For Global Standardized Methods and Practices Recommendations and Global Governance Recommendations, the Contractor shall be compensated for said units, milestones, or increments of service based upon the following payment rates:

Service Description	Amount (per compensable increment)
Global Standardized Methods and Practices Recommendations	\$24,467.43 each



(Contract Sections A.5)	
Global Governance Recommendations (Contract Sections A.6)	\$ 29,682.63 each

d. For Next Generation IT Assessment Professional Services, the Contractor shall be compensated for said units, milestones, or increments of service based upon the following payment rates:

Service Description	Amount (per compensable increment)				
	Contract Year 1	Contract Year 2	Contract Year 3	Contract Year 4	Contract Year 5
NextGen IT Assessment Professional Services (Cont. Section A.9)	\$ 139.24 per Hour	\$ 142.30 per Hour	\$ 145.43 per Hour	\$ 148.63 per Hour	\$ 151.90 per Hour

- e. The Contractor shall not be compensated for travel time to the primary location of service provision.
- f. The Contractor shall be compensated for changes requested and performed pursuant to Contract Section A.9, without a formal amendment of this contract based upon the payment rates detailed in the Contract Section C.3.d above and as agreed pursuant to said Section A.9, PROVIDED THAT compensation to the Contractor for such "change order" work shall not exceed SEVEN PERCENT (7 %) of the total cost, over the Contract Term, for Agency IT Environment Assessment services, Global Standardized Methods and Practices Recommendations, and Global Governance Recommendations, the unit costs for which are detailed in Contract Sections C.3.b and C.3.c, above. If, at any point during the Contract period, the State determines that the cost of necessary Professional Services work would exceed said maximum amount, the State may amend this Contract to address the need.

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:

Bill Beecroft  
 OIR Director of Administration  
 16<sup>th</sup> Floor, Wm. R. Snodgrass Tennessee Tower  
 312 Rosa L. Parks Avenue  
 Nashville, TN 37243  
 Phone: 615.253.1786  
 Fax: 615.532.0471

- 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 Finance and Administration, Office for Information Resources
  - (5) Customer Account Number (assigned by the Contractor to the above-referenced Customer)



- (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) 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

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:

Bill Beecroft  
OIR Director of Administration  
16<sup>th</sup> Floor, Wm. R. Snodgrass Tennessee Tower  
312 Rosa L. Parks Avenue  
Nashville, TN 37243  
[Bill.Beecroft@tn.gov](mailto:Bill.Beecroft@tn.gov)  
Telephone #: 615.253.1786  
FAX #: 615.532.0471

The Contractor:

Ramona Wilson  
Senior Contracts Representative  
Science Applications International Corporation (SAIC)  
151 Lafayette Drive  
Oak Ridge, TN 37831  
[wilsonr@saic.com](mailto:wilsonr@saic.com)  
Telephone # 865.481.2988  
FAX # 866.283.5863

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 one million dollars (\$1,000,000) 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.

- 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

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. State Ownership of Work Products. With the exception of pre-existing Contractor intellectual property (Contractor Materials) contained therein, the State shall have all ownership right, title, and interest, including ownership of copyright, in all work products, including deliverables, created, designed, or developed solely for the State under this Contract during a consulting services engagement, as defined in Contract Section A. The State shall have royalty-free and exclusive rights to use, disclose, reproduce, or publish within State government and for State business purposes, all said work products. The Contractor shall furnish such information and data upon request of the State, in accordance with the Contract and applicable State law. Notwithstanding the foregoing, the State may share work products (i) with State oversight authorities, (ii) with third parties who are engaged by the State to review, implement, or further research the topics contained in the work products (such third parties will be advised of work product confidentiality), and (iii) as required by State or Federal law.
- a. Contractor Ownership of Services and Intellectual Properties. The Contractor shall retain ownership right, title, and interest (including copyright where legally applicable) of their Services and intellectual properties (Contractor Materials). Contractor Materials are pre-existing documents or information developed by the Contractor without using State money or resources, and identified as such in all work products submitted to the State.
  - b. Acquired Knowledge and Skills. Nothing in this Contract shall prohibit the Contractor's use for its own purposes of the general knowledge, skills, experience, ideas, concepts, know-how, and techniques obtained and used during the course of providing the services requested under this Contract.
  - c. Development of Similar Materials. Nothing in the Contract shall prohibit the Contractor from developing for itself, or for others, materials which are similar to and/or competitive with those that are produced under this Contract.
- E.9. Incorporation of Additional Documents. Each of the following documents is included as a part of this Contract by reference. In the event of a discrepancy or ambiguity regarding the Contractor's duties, responsibilities, and performance under this Contract, these items shall govern in order of precedence below.
- a. this Contract document with any attachments or exhibits (excluding the items listed at subsections b. through e., below);
  - b. any clarifications of or addenda to the Contractor's proposal seeking this Contract;
  - c. the State solicitation, as may be amended, requesting proposals in competition for this Contract;
  - d. any technical specifications provided to proposers during the procurement process to award this Contract;
  - e. the Contractor's proposal seeking this Contract.
- E.10. Contractor Commitment to Diversity. The Contractor shall comply with and make reasonable business efforts to exceed the commitment to diversity represented by the Contractor's proposal responding to RFP-31701-03075 (Attachment 6.2, Section B, Item B.15) and resulting in this Contract.

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





ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE

SUBJECT CONTRACT NUMBER:	35274
CONTRACTOR LEGAL ENTITY NAME:	SCIENCE APPLICATIONS INTERNATIONAL CORPORATION (SAIC)
FEDERAL EMPLOYER IDENTIFICATION NUMBER: (or Social Security Number)	95-3830868

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.

*Ramona L. Wilson*

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.

*RAMONA L. Wilson Sr. Contracts Representative*

PRINTED NAME AND TITLE OF SIGNATORY

*January 16, 2013*

DATE OF ATTESTATION