

**CONTRACT #7**  
**RFS # 344.01-10411**  
**FA # 11-33396**  
**Edison # 23006**

**Department of Intellectual and  
Developmental Disabilities  
Clover Bottom Developmental  
Center**

**VENDOR:**  
**Prince Food Systems, Inc.**



STATE OF TENNESSEE  
DEPARTMENT OF INTELLECTUAL AND DEVELOPMENTAL DISABILITIES

FROST BUILDING  
161 ROSA L. PARKS BOULEVARD  
NASHVILLE, TENNESSEE 37243

April 29, 2013

Mr. Lucian Geise, Executive Director  
Fiscal Review Committee  
8th Floor, Rachel Jackson Building  
320 Sixth Avenue, North  
Nashville, Tennessee 37243

ATTENTION: Leni Chick

RE: Prince Food Systems, Inc.  
Contract Number FA1133396, Edison # 23006  
Request for Contract Amendment Review

Dear Mr. Geise:

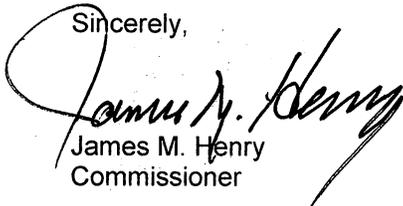
The Department of Intellectual and Developmental Disabilities (DIDD) is submitting proposed Amendment 1 to Contract # FA1133396, Edison # 23006 with Prince Food Systems, Inc. for review in accordance with TCA, Section 12-4-109 (a)(1)(G)(i) and (a)(1)(G)(ii).

The contract, awarded through the State's RFP process, began on October 1, 2010. Section B.2. of the contract provides the State the option to extend the contract for an additional one-year period of no more than a total contract term of five (5) years. Proposed Amendment 1 extends the contract term and decreases the contract maximum liability amount.

The proposed amendment and Non-Competitive Amendment Request is enclosed along with a copy of the base contract, completed "Supplemental Documentation Required for Fiscal Review Committee" form, and spreadsheets of expenditures and anticipated expenditures under this contract through the proposed ending date of June 30, 2014.

Please let me know if any additional information is required for review of this request. Your assistance for review of this proposed amendment is appreciated.

Sincerely,



James M. Henry  
Commissioner

JMH:dd

Enclosures

Supplemental Documentation Required for  
Fiscal Review Committee

*Contact Name:	Lance Iverson, Assistant Commissioner	*Contact Phone:	253-6710
*Original Contract Number:	FA1133396	*Original RFS Number:	34401-10411
Edison Contract Number: <i>(if applicable)</i>	23006	Edison RFS Number: <i>(if applicable)</i>	34401-10411
*Original Contract Begin Date:	10/1/2010	*Current End Date:	6/30/2013
Current Request Amendment Number: <i>(if applicable)</i>	1		
Proposed Amendment Effective Date: <i>(if applicable)</i>	7/1/2013		
*Department Submitting:	Department of Intellectual and Developmental Disabilities		
*Division:	Clover Bottom Developmental Center		
*Date Submitted:	4/30/2013		
*Submitted Within Sixty (60) days: <i>If not, explain:</i>	Yes		
*Contract Vendor Name:	Prince Food Systems, Inc.		
*Current Maximum Liability:	\$1,158,051.15		
<b>*Current Contract Allocation by Fiscal Year: (as Shown on Most Current Fully Executed Contract Summary Sheet)</b>			
FY: 2011	FY: 2012	FY: 2013	
\$318,258.36	\$414,418.14	\$425,374.65	
<b>*Current Total Expenditures by Fiscal Year of Contract: (attach backup documentation from STARS or FDAS report)</b>			
FY: 2011	FY: 2012	FY: 2013	
\$223,690.04	\$198,444.09	\$160,507.76	
<b>IF</b> Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:	Funds will be reallocated and the contract maximum liability amount will be decreased.		
<b>IF</b> surplus funds have been carried forward, please give the reasons and provide the authority for the carry forward provision:	N/A		
<b>IF</b> Contract Expenditures exceeded Contract Allocation, please give the reasons and explain how funding was acquired to pay the overage:	N/A		

Supplemental Documentation Required for  
Fiscal Review Committee

*Contract Funding Source/Amount:	State:	\$413,199.75	Federal:	0.00
Interdepartmental:		\$744,851.40	Other:	0.00
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>	
N/A				
Method of Original Award: <i>(if applicable)</i>			RFP	
*What were the projected costs of the service for the entire term of the contract prior to contract award?			\$1,000,000 - \$1,200,000	

**Department of Intellectual and Developmental Disabilities  
 Payments to Prince Food Systems, Inc. on Contract #23006  
 From October 1, 2010 through April 23, 2013**

Fiscal Year	Unit	Sum Amount	Edison Contract ID	Vendor ID	Vendor Name	Type	PO ID	Voucher ID	Invoice	Date
2011	34411	16,726.08	00000000000000000023006	0000128254	Prince Food Systems Inc	DFA	0000005501	00008802	CB2561001	11/19/2010
2011	34411	17,540.04	00000000000000000023006	0000128254	Prince Food Systems Inc	DFA	0000005501	00008981	CB2561002	12/1/2010
2011	34411	15,789.76	00000000000000000023006	0000128254	Prince Food Systems Inc	DFA	0000005501	00009021	CB2561101	12/17/2010
2011	34411	15,374.80	00000000000000000023006	0000128254	Prince Food Systems Inc	DFA	0000005501	00009092	CB2561102	12/31/2010
2011	34411	15,119.44	00000000000000000023006	0000128254	Prince Food Systems Inc	DFA	0000005501	00009093	CB256101201	1/14/2011
2011	34411	16,316.44	00000000000000000023006	0000128254	Prince Food Systems Inc	DFA	0000005501	00009228	CB256101202	2/3/2011
2011	34411	14,571.48	00000000000000000023006	0000128254	Prince Food Systems Inc	DFA	0000005501	00009414	CB256110101	2/17/2011
2011	34411	13,699.00	00000000000000000023006	0000128254	Prince Food Systems Inc	DFA	0000005501	00009541	CB256110102	3/3/2011
2011	34411	12,326.44	00000000000000000023006	0000128254	Prince Food Systems Inc	DFA	0000005501	00009666	CB256110201	3/18/2011
2011	34411	10,320.80	00000000000000000023006	0000128254	Prince Food Systems Inc	DFA	0000005501	00009771	CB256110202	3/31/2011
2011	34411	11,837.00	00000000000000000023006	0000128254	Prince Food Systems Inc	DFA	0000005501	00009891	CB256110301	4/15/2011
2011	34411	12,294.52	00000000000000000023006	0000128254	Prince Food Systems Inc	DFA	0000005501	00009984	CB256110302	4/29/2011
2011	34411	11,193.28	00000000000000000023006	0000128254	Prince Food Systems Inc	DFA	0000005501	00010037	CB256110401	5/18/2011
2011	34411	11,102.84	00000000000000000023006	0000128254	Prince Food Systems Inc	DFA	0000005501	00010117	CB256110402	6/2/2011
2011	34411	10,177.16	00000000000000000023006	0000128254	Prince Food Systems Inc	DFA	0000005501	00010188	CB256110501	6/15/2011
2011	34411	10,092.04	00000000000000000023006	0000128254	Prince Food Systems Inc	DFA	0000005501	00010298	CB256110502	6/30/2011
2011	34411	9,208.92	00000000000000000023006	0000128254	Prince Food Systems Inc	DFA	0000005501	00010429	CB256110601	7/15/2011
		<b>223,690.04</b>	<b>Subtotal Expenditures FY 2011</b>							

Fiscal Year	Unit	Sum Amount	Edison Contract ID	Vendor ID	Vendor Name	Type	PO ID	Voucher ID	Invoice	Date
2012	34411	9,384.48	00000000000000000023006	0000128254	Prince Food Systems Inc	DFA	0000005501	00010550	CB256110602	7/29/2011
2012	34411	9,435.75	00000000000000000023006	0000128254	Prince Food Systems Inc	DFA	0000007882	00010629	CB256110701	8/19/2011
2012	34411	9,211.48	00000000000000000023006	0000128254	Prince Food Systems Inc	DFA	0000007991	00010676	CB256110702	8/31/2011
2012	34411	8,489.44	00000000000000000023006	0000128254	Prince Food Systems Inc	DFA	0000008204	00010745	CB256110801	9/15/2011

2012	34411	8,872.34	00000000000000000023006	0000128254	Prince Food Systems Inc	DFA	0000008311	00010835	CB256110802	9/30/2011
2012	34411	8,232.35	00000000000000000023006	0000128254	Prince Food Systems Inc	DFA	0000008369	00010976	CB256110901	10/20/2011
2012	34411	8,062.78	00000000000000000023006	0000128254	Prince Food Systems Inc	DFA	0000008496	00011042	CB256110902	11/3/2011
2012	34411	8,002.61	00000000000000000023006	0000128254	Prince Food Systems Inc	DFA	0000008568	00011131	CB256111001	11/16/2011
2012	34411	8,434.74	00000000000000000023006	0000128254	Prince Food Systems Inc	DFA	0000008630	00011233	CB256111002	12/1/2011
2012	34411	7,729.11	00000000000000000023006	0000128254	Prince Food Systems Inc	DFA	0000008728	00011342	CB256111101	12/16/2011
2012	34411	7,466.55	00000000000000000023006	0000128254	Prince Food Systems Inc	DFA	0000008752	00011349	CB256111102	12/30/2011
2012	34411	7,729.11	00000000000000000023006	0000128254	Prince Food Systems Inc	DFA	0000008963	00011466	CB256111201	1/19/2012
2012	34411	8,314.40	00000000000000000023006	0000128254	Prince Food Systems Inc	DFA	0000008963	00011467	CB256111202	2/2/2012
2012	34411	7,794.75	00000000000000000023006	0000128254	Prince Food Systems Inc	DFA	0000009006	00011561	CB256120101	2/16/2012
2012	34411	8,051.84	00000000000000000023006	0000128254	Prince Food Systems Inc	DFA	0000009075	00011642	CB256120102	3/2/2012
2012	34411	7,504.84	00000000000000000023006	0000128254	Prince Food Systems Inc	DFA	0000009370	00011766	CB256120201	3/16/2012
2012	34411	7,296.98	00000000000000000023006	0000128254	Prince Food Systems Inc	DFA	0000009395	00011782	CB256120202	3/30/2012
2012	34411	7,860.39	00000000000000000023006	0000128254	Prince Food Systems Inc	DFA	0000009576	00011910	CB256120301	4/13/2012
2012	34411	8,664.48	00000000000000000023006	0000128254	Prince Food Systems Inc	DFA	0000009654	00011944	CB256120302	5/2/2012
2012	34411	8,161.24	00000000000000000023006	0000128254	Prince Food Systems Inc	DFA	0000009749	00012003	CB256120401	5/16/2012
2012	34411	8,287.05	00000000000000000023006	0000128254	Prince Food Systems Inc	DFA	0000009822	00012016	CB256120402	5/31/2012
2012	34411	8,352.69	00000000000000000023006	0000128254	Prince Food Systems Inc	DFA	0000009930	00012026	CB256120501	6/15/2012
2012	34411	8,752.00	00000000000000000023006	0000128254	Prince Food Systems Inc	DFA	0000010011	00012040	CB256120502	6/29/2012
2012	34411	8,352.69	00000000000000000023006	0000128254	Prince Food Systems Inc	DFA	0000010170	00012067	CB256120601	7/18/2012

**198,444.09** Subtotal Expenditures FY 2012

Fiscal Year	Unit	Sum Amount	Edison Contract ID	Vendor ID	Vendor Name	Type	PO ID	Voucher ID	Invoice	Date
2013	34411	8,205.00	00000000000000000023006	0000128254	Prince Food Systems Inc	DFA	0000010191	00012086	CB256120602	8/2/2012
2013	34401	14,440.95	00000000000000000023006	0000128254	Prince Food Systems Inc	DFA	0000011285	00039777	CB256120801	9/11/2012
2013	34401	7,820.07	00000000000000000023006	0000128254	Prince Food Systems Inc	DFA	0000012034	00041402	CB256120902	10/31/2012
2013	34401	7,769.40	00000000000000000023006	0000128254	Prince Food Systems Inc	DFA	0000012129	00041689	CB256121001	11/16/2012
2013	34401	8,445.00	00000000000000000023006	0000128254	Prince Food Systems Inc	DFA	0000012129	00041690	CB256120701	10/30/2012
2013	34401	9,008.00	00000000000000000023006	0000128254	Prince Food Systems Inc	DFA	0000012129	00041691	CB256120702	10/30/2012
2013	34401	9,008.00	00000000000000000023006	0000128254	Prince Food Systems Inc	DFA	0000012129	00041692	CB256120802	10/30/2012
2013	34401	8,360.55	00000000000000000023006	0000128254	Prince Food Systems Inc	DFA	0000012129	00041693	CB256120901	10/30/2012
2013	34401	7,178.25	00000000000000000023006	0000128254	Prince Food Systems Inc	DFA	0000013167	00043780	CB256121201	1/17/2013
2013	34401	8,208.54	00000000000000000023006	0000128254	Prince Food Systems Inc	DFA	0000013167	00044054	CB256121002	1/16/2013
2013	34401	7,431.60	00000000000000000023006	0000128254	Prince Food Systems Inc	DFA	0000013167	00044055	CB256121101	1/16/2013

2013	34401	7,358.41	000000000000000000023006	0000128254	Prince Food Systems Inc	DFA	0000013167	00044056	CB256121102	1/16/2013
2013	34401	7,656.80	000000000000000000023006	0000128254	Prince Food Systems Inc	DFA	0000013167	00044057	CB256121202	2/1/2013
2013	34401	7,240.18	000000000000000000023006	0000128254	Prince Food Systems Inc	DFA	0000013167	00045013	CB25620130101	2/15/2013
2013	34401	7,206.40	000000000000000000023006	0000128254	Prince Food Systems Inc	DFA	0000013167	00045656	CB25620130102	3/6/2013
2013	34401	7,071.28	000000000000000000023006	0000128254	Prince Food Systems Inc	DFA	0000013167	00046524	CB25620130201	3/22/2013
2013	34401	5,928.39	000000000000000000023006	0000128254	Prince Food Systems Inc	DFA	0000013167	00047190	CB25620130202	4/3/2013
2013	34401	6,975.57	000000000000000000023006	0000128254	Prince Food Systems Inc	DFA	0000013167	00048080	CB25620130301	4/19/2013
2013	34401	7,746.88	000000000000000000023006	0000128254	Prince Food Systems Inc	DFA	Pending	00048639	CB25620130302	4/23/2013
2013	34401	7,448.49	000000000000000000023006	0000128254	Prince Food Systems Inc	DFA	Pending	Pending	CB25620130401	4/23/2013
		<b>\$160,507.76</b>	<b>Subtotal Expenditures FY 2013 through April 22, 2013</b>							
		<b>\$582,641.89</b>	<b>Total Expenditures from October 1, 2010 through April 22, 2013</b>							

2013 Anticipated  
Expenditures

April - June 30

\$7,500 X 3 months            \$22,500.00

2014 Anticipated  
Expenditures

\$183,000.00

Total Actual and  
Anticipated  
Expenditures

\$788,141.89

Base Contract Amount       \$1,158,051.15

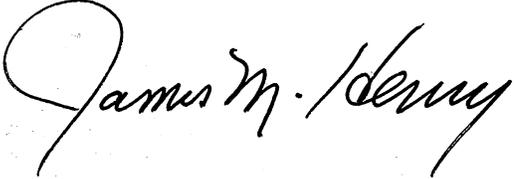
Amendment Decrease       (\$369,909.26)

# Non-Competitive Amendment Request

APPROVED

Department of General Services, Central Procurement Office

Request Tracking #	34401-10411	
1. Procuring Agency	Department of Intellectual and Developmental Disabilities	
2. Contractor	Prince Food Systems, Inc.	
3. Contract #	FA1133396	
4. Proposed Amendment #	1	
5. Edison ID #	23006	
6. Contract Begin Date	10/1/2010	
7. Current Contract End Date – with ALL options to extend exercised	6/30/2013	
8. Proposed Contract End Date – with ALL options to extend exercised	6/30/2014	
9. Current Maximum Contract Cost – with ALL options to extend exercised	\$ 1,158,051.15	
10. Proposed Maximum Contract Cost – with ALL options to extend exercised	\$ 788,141.89	
11. Office for Information Resources Endorsement – information technology service (N/A to THDA)	<input checked="" type="checkbox"/> Not Applicable <input 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>DIDD desires to amend the contract for the extension of services and to decrease the contract maximum liability amount.</p>	
15. Name & Address of the Contractor's Principal Owner(s) – NOT required for a TN state education institution	<p>Steve Caudle, Chief Operating Officer Prince Food Systems, Inc. 11001 South Wilcrest Drive, Suite 200 Houston, Texas 77099 Telephone # 281-568-3131, Ext 113</p>	

Request Tracking #	34401-10411
Cell # 713-320-9308	
<b>16. Evidence Contractor's Experience &amp; Length Of Experience Providing the Service</b>	
This contractor has provided food management services to Clover Bottom Developmental Center since October 1, 2010.	
<b>17. Efforts to Identify Reasonable, Competitive, Procurement Alternatives</b>	
This contract was awarded competitively.	
<b>18. Justification</b> – <i>specifically explain why non-competitive negotiation is in the best interest of the state</i>	
A need continues to exist for this contract until the DIDD Middle Tennessee Homes are completed.	
This contract was competitively procured through the State's RFP process. Section B.2. provides the State with the option to extend the contract for an additional one (1) year period and up to a total contract term of five (5) years. This amendment will extend the contract for one additional year.	
<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>	
 <span style="float: right;">4/29/13</span>	



## CONTRACT AMENDMENT

<b>Agency Tracking #</b> 34401-10411	<b>Edison ID</b> 23006	<b>Contract #</b> FA1133396	<b>Amendment #</b> 1		
<b>Contractor Legal Entity Name</b> Prince Food Systems, Inc.			<b>Edison Vendor ID</b> 128254		
<b>Amendment Purpose &amp; Effect(s)</b> Extend contract term for 1 year and decrease contract maximum liability amount					
<b>Amendment Changes Contract End Date:</b> <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO		<b>End Date:</b> 6/30/2014			
<b>TOTAL Contract Amount INCREASE or DECREASE per this Amendment</b> (zero if N/A):			<b>(\$369,909.26)</b>		
<b>Funding —</b>					
<b>FY</b>	<b>State</b>	<b>Federal</b>	<b>Interdepartmental</b>	<b>Other</b>	<b>TOTAL Contract Amount</b>
2011	\$76,560.08		\$147,129.96		\$223,690.04
2012	\$67,919.41		\$130,524.68		\$198,444.09
2013	\$62,636.17		\$120,371.59		\$183,007.76
2014	\$62,633.52		\$120,366.48		\$183,000.00
<b>TOTAL:</b>	<b>\$269,749.18</b>		<b>\$518,392.71</b>		<b>\$788,141.89</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.  Melinda Lanza 253-3166			OCR USE		
<b>Speed Chart</b> (optional)		<b>Account Code</b> (optional)			

**AMENDMENT 1  
OF CONTRACT FA1133396**

This Amendment is made and entered by and between the State of Tennessee, Department of Intellectual and Developmental Disabilities, hereinafter referred to as the "State" or "DIDD" and Prince Food Systems, Inc., hereinafter referred to as the "Contractor". It is mutually understood and agreed by and between said, undersigned contracting parties that the subject contract is hereby amended as follows:

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

B.1. This Contract shall be effective for the period beginning October 1, 2010, and ending on June 30, 2014. The Contractor hereby acknowledges and affirms that the State shall have no obligation for services rendered by the Contractor which were not performed within this specified contract period.

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 seven hundred eighty eight thousand, one hundred forty one dollars and eighty nine cents (\$788,141.89). 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 E.2. is deleted in its entirety and replaced with the following:

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

The State:

Dr. Stacey Dixon, Chief Officer  
Department of Intellectual and Developmental Disabilities  
Clover Bottom Developmental Center/Harold Jordan Center  
275 Stewarts Ferry Pike  
Nashville, Tennessee 37214-0500  
Stacey.Dixon@tn.gov  
Telephone # 615-231-5000  
FAX # 615- 231-5074

The Contractor:

Steve Caudle, Chief Operating Officer  
Prince Food Systems, Inc.  
11001 South Wilcrest Drive, Suite 200  
Houston, Texas 77099  
scaudle@princefoodsystems.com  
Cell # 713-320-9308  
Telephone # 281-568-3131 Ext. 113  
FAX # 281-568-2323

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

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

**IN WITNESS WHEREOF,**

**PRINCE FOOD SYSTEMS, INC.:**

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**SIGNATURE** **DATE**

**STEVE CAUDLE, CHIEF OPERATING OFFICER**

---

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

**DEPARTMENT OF INTELLECTUAL AND DEVELOPMENTAL DISABILITIES:**

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**JAMES M. HENRY, COMMISSIONER** **DATE**



# CONTRACT

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

<b>Agency Tracking #</b> 33911-10411	<b>Edison ID</b> 23006
<b>Contractor</b> Prince Food Systems, Inc.	<b>Contractor Federal Employer Identification or Social Security #</b> <input type="checkbox"/> C- or <input checked="" type="checkbox"/> V- 74-1190948

**Service**  
Food Management Services

<b>Contract Begin Date</b> October 1, 2010	<b>Contract End Date</b> June 30, 2013	<b>Subrecipient or Vendor</b> <input type="checkbox"/> Subrecipient <input checked="" type="checkbox"/> Vendor	<b>CFDA #(s)</b> N/A
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FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2011	\$108,927.00		\$209,331.36		\$318,258.36
2012	\$150,151.50		\$264,266.64		\$414,418.14
2013	\$154,121.25		\$271,253.40		\$425,374.65
<b>TOTAL:</b>	\$413,199.75		\$744,851.40		<b>\$1,158,051.15</b>

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

OCR USE FA	<b>Agency Contact &amp; Telephone #</b> Debbie Dunn 253-6812
	<b>Agency Budget Officer Approval</b> (there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred)  Melinda Lanza 253-3166
	<b>Speed Code</b> N/A
	<b>Account Code</b>

**Contractor Ownership/Control**

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

**Contractor Selection Method**

RFP   
 Competitive Negotiation \*   
 Alternative Competitive Method \*  
 Non-Competitive Negotiation \*   
 Other \*

**\*Procurement Process Summary**  
This contract was procured through the formal RFP process.

Dept ID	Account	Location CF	Program	User Code	Project	Activity	Source Type
3441100011	70803000	19049	344106	120720			
3441500001	70803000	19049	344106	120720			

**CONTRACT  
BETWEEN THE STATE OF TENNESSEE  
DEPARTMENT OF FINANCE AND ADMINISTRATION  
DIVISION OF INTELLECTUAL DISABILITIES SERVICES  
AND  
PRINCE FOOD SYSTEMS, INC.**

This Contract, by and between the State of Tennessee, Department of Finance and Administration, Division of Intellectual Disabilities Services, hereinafter referred to as the "State" and Prince Food Systems, Inc., hereinafter referred to as the "Contractor," is for the provision of daily food services operation for service recipients of the Clover Bottom Developmental Center and Harold Jordan Center, as further defined in the "SCOPE OF SERVICES."

The Contractor is a For-Profit Corporation.

Contractor Federal Employer Identification or Social Security Number: 74-1190948

Contractor Place of Incorporation or Organization: Texas.

**A. SCOPE OF SERVICES:**

- A.1. The Contractor shall provide all services and deliverables as required, described, and detailed by this Scope of Services and shall meet all service and delivery timelines specified in the Scope of Services section or elsewhere in this Contract.
- A.2. The Contractor shall provide a daily food delivery service operation for approximately one hundred fifteen (115) residents of Clover Bottom Developmental Center (CBDC) and Harold Jordan Center (HJC). (CBDC is in the process of downsizing the population to closure of the facility. The current population of CBDC is 104. Approximately 30 of those service recipients receive enteral nutrition. These 30 will not be receiving meal service under this contract. The current population of HJC is 11. No one at HJC currently receives enteral nutrition. It is projected that the combined population of CBDC and HJC at the end of this (2010) calendar year will be 70. It is projected that CBDC will be completely closed by the end of calendar year 2011 and the population of HJC be approximately 25. It is projected that the end of calendar year 2012 the population of HJC will be approximately 34. These numbers are an estimated value and do not create any rights, interests, or claims of entitlement by the Contractor and shall not be construed as any type of volume guarantee or minimum quantity.) The Contractor shall provide management, staff, and necessary supplies to fulfill its responsibilities under this Contract.
- a. The Contractor shall provide management, staff, and necessary supplies to fulfill its responsibilities under this contract.
  - b. The contractor shall use the statewide master menu, provided by the State, as the basis for all regular and modified diets. Changes to this non-select menu will not be made unless approved by the facilities Food Service Manager and the Department's Food Service Director. The statewide master menu is based on a seasonal, six months, twenty eight-day menu cycle. An alternate menu developed by the state facility must correspond to the statewide master menu.
  - c. The contractor shall prepare all types of food and beverage products, including texture and ingredient modifications and portion adjustments for all service recipients according to their physician prescribed diet orders. Service recipients' meal service shall include three meals per day and designated snacks as determined by the State. See Attachment 1, Diet Breakdowns, for an example of the types of physician prescribed diets.

- d. The Contractor shall consult with the State Dietitians, Food Services Manager, or State Representative before a menued item is substituted. Menu substitutions must be kept to a minimum and used only for service recipients who are intolerant, sensitive or allergic to a particular menu item. Written documentation will be kept daily for all menu substitutions made by the Contractor with a copy sent to the State Dietitians, Food Service Manager or State Representative.
- e. The Contractor shall process and print meal tickets daily, and label all meal trays prepared for service recipients based on information provided by the State.
- f. The Contractor shall print meal tray labels, daily diet and snack lists. To ensure that each service recipient's meal is prepared as directed, each meal tray label shall include at least the following information: service recipient's name, diet order, date, location, any food substitutions, modifications, and/or food allergies.
- g. The Contractor shall institute a Hazard Analysis Critical Control Point Plan (HACCP) for all areas of the food service operation, which includes the following areas: hazard analysis and risk assessment, determination of critical control points, specification for each critical control point, planned corrective action when a deviation occurs at the critical control point, record keeping system, and manager verification that the system works. The Contractor shall revise the HACCP Plan as necessary, at least annually, and provide a copy of the plan to the State.
- h. The Contractor shall provide trained staff to check the accuracy of meal trays during preparation and before delivery of all meals. The Contractor will take appropriate action to correct any meal tray inaccuracies. The Contractor shall provide the State with a copy of its training schedule and any related information as it pertains to staff training or preparedness as requested by the State.
- i. The Contractor shall deliver all meals to the appropriate locations according to a delivery schedule. The State will work with the Contractor to develop a delivery schedule for all meal and snack deliveries and communicate regularly any changes to the schedule. All meals will be delivered on the grounds of the Clover Bottom Developmental Center/Harold Jordan campus.
- j. The Contractor shall use the State facility's Retherm Tray System and provide the appropriately fitting tray and tray inserts to plate the menu items required for the service recipient's daily meal service. The Contractor shall be responsible for all aspects of the meal service required for use of the retherm trays and units. The meals prepared in accordance with Section A., Scope of Services, of this contract shall be placed on retherm trays held at the appropriate temperature as documented in the Food Service Policies provided by the State.
- k. The Contractor shall use retherm carts to deliver meal trays and any other food beverages to service recipient units at least three (3) times daily according to the delivery schedule.
- l. The Contractor shall retrieve the retherm trays and carts and any other containers in which the food or meals were delivered as close as possible to one (1) hour after each meal.
- m. The Contractor shall clean and sanitize all equipment, utensils, trayline, trays, retherm carts, retherm bays, and kitchen at all locations. All cleaning and sanitizing shall be done daily.

- n. During delivery, the Contractor shall be responsible for any negligence and/or food spoilage because of mishandled meal trays or bulk food. Upon request, the Contractor shall be able to provide the State with a record of each truck's delivery compartment temperatures during the time it was used to deliver meals/snacks, bulk food, or stock items to the State.
- o. The Contractor shall provide all supplies required for cleaning and operation of the production and storage areas. The Contractor shall be responsible for the following costs: telephone and mail services, office/computer supplies and equipment, including supplies for tray ticket preparation, vehicles, and any other items used at the Dietary Services Building and MTMHI's kitchen in support of their operation.
- p. The Contractor shall comply with the rules of the Division of Intellectual Disabilities Services, Title 42, Code of Federal Regulations, and any other applicable law, rule, or standard that may apply to the provision of this Contract.
- q. The Contractor shall also abide by the Facility's Quality Improvement, Infection Control, Safety Plans, and any other facility or departmental policy or procedure that applies to the food service operation.
- r. The Contractor shall provide a detailed contingency plan for all possible emergencies and maintain an inventory of non-perishable items that would allow for up to three days of meal service. The inventory shall be rotated on a regular basis according to the "first in, first out" method of stock rotation to ensure freshness.
- s. The Contractor shall cooperate with food service contractor transition at both the beginning and end of contract periods.

A.3. The State shall have the following responsibilities under this Contract:

- a. The State shall purchase all food and beverage items needed for the Contractor to fulfill its responsibilities under this contract.
- b. The State shall provide a master menu for regular and therapeutic diets. All meals served by the Contractor to the service recipients shall be based on these menus.
- c. The State shall provide service recipient names and their prescribed diets for the preparation of meal tickets.
- d. The State shall work with the Contractor to develop a delivery schedule and communicate any changes to the schedule.
- e. The State shall provide a Retherm Tray System

**B. CONTRACT TERM:**

- B.1. This Contract shall be effective for the period commencing on October 1, 2010 and ending on June 30, 2013. The State shall have no obligation for services rendered by the Contractor which are not performed within the specified period.
- B.2. Term Extension. The State reserves the right to extend this Contract for an additional period or periods of time representing increments of no more than one year and a total contract term of no more than five (5) years, provided that such an extension of the contract term is effected prior to the current, contract expiration date by means of an amendment to the Contract. If the extension of the Contract necessitates additional funding beyond that which was included in the original Contract, the increase in the

State's maximum liability will also be effected through an amendment to the Contract, and shall be based upon payment rates provided for in the original Contract.

**C. PAYMENT TERMS AND CONDITIONS:**

C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed one million, one hundred fifty eight thousand, fifty-one dollars and fifteen cents (\$1,158,051.15). The payment rates in Section C.3 shall constitute the entire compensation due the Contractor for the Service and all of the Contractor's obligations hereunder regardless of the difficulty, materials or equipment required. The payment rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

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

C.2. Compensation Firm. The payment rates and the maximum liability of the State under this Contract are firm for the duration of the Contract and are not subject to escalation for any reason unless amended.

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

- a. The Contractor's compensation shall be contingent upon the satisfactory completion of units, milestones, or increments of service defined in Section A.
- b. The Contractor shall be compensated for said units, milestones, or increments of service based upon the following payment rates:

SERVICE	Amount (per compensable increment)		
	Year 1 10/01/10-06/30/11	Year 2 07/01/11-06/30/12	Year 3 07/01/12-06/30/13
Labor Cost of Breakfast Services	\$5.32/meal served	\$5.47/meal served	\$5.63/meal served
Labor Cost of Lunch Services	\$5.32/meal served	\$5.47/meal served	\$5.63/meal served
Labor Cost of Dinner Services	\$5.32/meal served	\$5.47/meal served	\$5.63/meal served
Labor Cost of Snack Services	\$0.00/snack served	\$0.00/snack served	\$0.00/snack served

- c. In the event the contract term is extended in accordance with Section B.2., the payment rates for any period of term extension will be the same as the payment period of July 1, 2012 - June 30, 2013.

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 as required below prior to any payment.

a. The Contractor shall submit invoices no more often than monthly, with all necessary supporting documentation, to:

John Knox  
Department of Finance and Administration  
Division of Intellectual Disabilities Services  
Middle Tennessee Regional Office  
275 Stewarts Ferry Pike  
Stamps Building, Room 1132  
Nashville, Tennessee 37214

b. The Contractor agrees that each invoice submitted shall clearly and accurately (all calculations must be extended and totaled correctly) detail the following required information.

- (1) Invoice/Reference Number (assigned by the Contractor);
- (2) Invoice Date;
- (3) Invoice Period (period to which all invoiced charges are applicable);
- (4) Contract Number (assigned by the State to this Contract);
- (5) Account Name: Department of Finance and Administration, Division of Intellectual Disabilities Services;
- (6) Account/Customer Number (uniquely assigned by the Contractor to the above-referenced Account Name);
- (7) Contractor Name;
- (8) Contractor Federal Employer Identification Number or Social Security Number (as referenced in this Contract);
- (9) Contractor Contact (name, phone, and/or fax for the individual to contact with billing questions);
- (10) Contractor Remittance Address;
- (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; and
  - v. Total Amount Due for the invoice period.

c. The Contractor understands and agrees that an invoice to the State 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) not include any future work but will only be submitted for completed service; and
- (3) not include sales tax or shipping charges.

- d. The Contractor agrees that timeframe for payment (and any discounts) begins when the State is in receipt of each invoice meeting the minimum requirements above.
  - e. The Contractor shall complete and sign a "Substitute W-9 Form" provided to the Contractor by the State. The taxpayer identification number contained in the Substitute W-9 submitted to the State shall agree to the Federal Employer Identification Number or Social Security Number referenced in this Contract for the Contractor. The Contractor shall not invoice the State for services until the State has received this completed form.
- C.6. Payment of Invoice. The payment of the invoice by the State shall not prejudice the State's right to object to or question any invoice or matter in relation thereto. Such payment by the State shall neither be construed as acceptance of any part of the work or service provided nor as an approval of any of the amounts invoiced therein.
- C.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. Automatic Deposits. The Contractor shall complete and sign an "Authorization Agreement for Automatic Deposit (ACH Credits) Form." This form shall be provided to the Contractor by the State. Once this form has been completed and submitted to the State by the Contractor all payments to the Contractor, under this or any other Contract the Contractor has with the State of Tennessee shall be made by Automated Clearing House (ACH). The Contractor shall not invoice the State for services until the Contractor has completed this form and submitted it to the State.

**D. STANDARD TERMS AND CONDITIONS:**

- D.1. Required Approvals. The State is not bound by this Contract until it is approved by the appropriate State officials in accordance with applicable Tennessee State laws and regulations.
- D.2. Modification and Amendment. This Contract may be modified only by a written amendment executed by all parties hereto and approved by the appropriate Tennessee State officials in accordance with applicable Tennessee State laws and regulations.
- D.3. Termination for Convenience. The State may terminate this Contract without cause for any reason. Said termination shall not be deemed a Breach of Contract by the State. The State shall give the Contractor at least thirty (30) days written notice before the effective termination date. The Contractor shall be entitled to receive compensation for satisfactory, authorized service completed as of the termination date, but in no event shall the State be liable to the Contractor for compensation for any service which has not been rendered. Upon such termination, the Contractor shall have no right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- D.4. Termination for Cause. If the Contractor fails to properly perform its obligations under this Contract in a timely or proper manner, or if the Contractor violates any terms of this Contract, the State shall have the right to immediately terminate the Contract and withhold payments in excess of fair compensation for completed services. Notwithstanding the above, the Contractor shall not be relieved of liability to the State for damages sustained by virtue of any breach of this Contract by the Contractor.

- D.5. Subcontracting. The Contractor shall not assign this Contract or enter into a subcontract for any of the services performed under this Contract without obtaining the prior written approval of the State. If such subcontracts are approved by the State, they shall contain, at a minimum, sections of this Contract 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.
- D.7. Nondiscrimination. The Contractor hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the Contractor on the grounds of disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law. The Contractor shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.
- D.8. Prohibition of Illegal Immigrants. The requirements of Public Acts of 2006, Chapter Number 878, of the state of Tennessee, addressing the use of illegal immigrants in the performance of any Contract to supply goods or services to the state of Tennessee, shall be a material provision of this Contract, a breach of which shall be grounds for monetary and other penalties, up to and including termination of this Contract.
- a. The Contractor hereby attests, certifies, warrants, and assures that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract. The Contractor shall reaffirm this attestation, in writing, by submitting to the State a completed and signed copy of the document at Attachment 2, hereto, semi-annually during the period of this Contract. Such attestations shall be maintained by the Contractor and made available to state officials upon request.
  - b. Prior to the use of any subcontractor in the performance of this Contract, and semi-annually thereafter, during the period of this Contract, the Contractor shall obtain and retain a current, written attestation that the subcontractor shall not knowingly utilize the services of an illegal immigrant to perform work relative to this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant to perform work relative to this Contract. Attestations obtained from such subcontractors shall be maintained by the Contractor and made available to state officials upon request.
  - c. The Contractor shall maintain records for all personnel used in the performance of this Contract. Said records shall be subject to review and random inspection at any reasonable time upon reasonable notice by the State.
  - d. The Contractor understands and agrees that failure to comply with this section will be subject to the sanctions of Public Chapter 878 of 2006 for acts or omissions occurring after its effective date. This law requires the Commissioner of Finance and Administration to prohibit a contractor from contracting with, or submitting an offer, proposal, or bid to contract with the State of Tennessee to supply goods or services for a period of one year after a contractor is discovered to have knowingly used the services of illegal immigrants during the performance of this Contract.

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

those rights and remedies, if any, available under *Tennessee Code Annotated*, Sections 9-8-101 through 9-8-407.

- D.18. Completeness. This Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.
- D.19. Severability. If any terms and conditions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Contract are declared severable.
- D.20. Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.

**E. SPECIAL TERMS AND CONDITIONS:**

- E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Contract, these special terms and conditions shall control.
- E.2. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by 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:

James R. Finch, Ed.D., Deputy Commissioner  
Department of Finance and Administration  
Division of Intellectual Disabilities Services  
500 Deaderick Street, Suite, 1500  
Nashville, Tennessee 37243  
j.finch@tn.gov  
Telephone # 615-532-6538  
FAX # 615-532-9940

Program Contact:

Diane Brightwell, Chief Officer  
Department of Finance and Administration  
Division of Intellectual Disabilities Services  
Middle Tennessee Regional Office  
Johnson House  
Nashville, Tennessee 37214  
diane.brightwell@tn.gov  
Telephone # 615-231-5373  
FAX # 615-231-5448

Fiscal Contact:

Sarah Ayer  
Department of Finance and Administration  
Division of Intellectual Disabilities Services

Middle Tennessee Regional Office  
275 Stewarts Ferry Pike  
Nashville, Tennessee 37214  
sarah.ayer@tn.gov  
Telephone # 615-884-6082  
FAX # 615-231-5448

The Contractor:

Steve Caudle, Chief Operating Officer  
Prince Food Systems, Inc.  
11001 South Wilcrest Drive, Suite 200  
Houston, Texas 77099  
scaudle@princefoodsystems.com  
Cell # 713-320-9308  
Telephone # 281-568-3131 Ext. 113  
FAX # 281-568-2323

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 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 Furnished Property. The Contractor shall be responsible for the correct use, maintenance, and protection of all articles of nonexpendable, tangible, personal property furnished by the State for the Contractor's temporary use under this Contract. Upon termination of this Contract, all property furnished shall be returned to the State in good order and condition as when received, reasonable use and wear thereof excepted. Should the property be destroyed, lost, or stolen, the Contractor shall be responsible to the State for the residual value of the property at the time of loss.
- E.9. Incorporation of Additional Documents. Included in this Contract by reference are the following documents:
- a. The Contract document and its attachments;
  - b. All Clarifications and addenda made to the Contractor's Proposal;
  - c. The Request for Proposal and its associated amendments;
  - d. Technical Specifications provided to the Contractor; and
  - e. The Contractor's Proposal.

In the event of a discrepancy or ambiguity regarding the Contractor's duties, responsibilities, and performance under this Contract, these documents shall govern in order of precedence detailed above.

- E.10. Debarment and Suspension. The Contractor certifies, to the best of its knowledge and belief, that it, its current and future principals, its current and future subcontractors and their principals:
- a. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department or agency;
  - b. have not within a three (3) year period preceding this Contract been convicted of, or had a civil judgment rendered against them from commission of fraud, or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or grant under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;
  - c. are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses detailed in section b. of this certification; and
  - d. have not within a three (3) year period preceding this Contract had one or more public transactions (federal, state, or local) terminated for cause or default.

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

- E.11. 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- 33911-10411 (Attachment 6.2) 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.

- E.12. Hold Harmless. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims, liabilities, losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity which may be injured or damaged as a result of acts, omissions, or negligence on the part of the Contractor, its employees, or any person acting for or on its or their behalf relating to this Contract. The Contractor further agrees it shall be liable for the reasonable cost of attorneys for the State in the event such service is necessitated to enforce the terms of this Contract or otherwise enforce the obligations of the Contractor to the State.

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

- E.13. Breach. A party shall be deemed to have breached the Contract if any of the following occurs:

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

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

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

- (1) In event of a Breach by Contractor, the State shall have available the remedy of Actual Damages and any other remedy available at law or equity.
- (2) Liquidated Damages— In the event of a Breach, the State may assess Liquidated Damages. The State shall notify the Contractor of amounts to be assessed as Liquidated Damages. The parties agree that due to the complicated nature of the Contractor's obligations under this Contract it would be difficult to specifically designate a monetary amount for a Breach by Contractor as said amounts are likely to be uncertain and not easily proven. Contractor hereby represents and covenants it has carefully reviewed the Liquidated Damages contained in above referenced, Attachment 3 and agree that said amounts represent a reasonable relationship between the amount and what might reasonably be expected in the event of Breach, and are a reasonable estimate of the damages that would occur from a Breach. It is hereby agreed between the parties that the Liquidated Damages represent solely the damages and injuries sustained by the State in losing the benefit of the bargain with Contractor and do not include any injury or damage sustained by a third party. The Contractor agrees that the liquidated damage amount is in addition to any amounts Contractor may owe the State pursuant to the indemnity provision or other section of this Contract.

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

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

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

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

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

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

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

IN WITNESS WHEREOF,

PRINCE FOOD SYSTEMS, INC.:



8/31/2010

CONTRACTOR SIGNATURE

DATE

STEVE CAUDLE, CHIEF OPERATING OFFICER

PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)

DEPARTMENT OF FINANCE AND ADMINISTRATION,  
DIVISION OF INTELLECTUAL DISABILITIES SERVICES:



8-30-10

M. D. GOETZ, COMMISSIONER

DATE

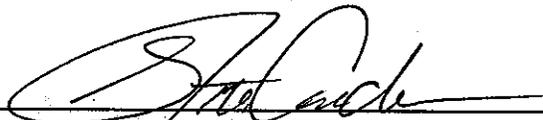
## DIET BREAKDOWNS

Diet Description	Number
1200 Diced	1
1200 W/Diced Meat	1
1200 Low Fat/Chol	6
1200 Low Sodium	1
1200 Ground Low Fat/Chol	2
1500 Diced	2
1500 Low Fat/Chol	4
1500 Low Sodium	1
1500 Ground	2
1800 Diced	1
1800 Calories	7
1800 Low Fat/Chol	3
1800 Low Sodium	1
1800 Ground	3
2000 Low Fat/Chol	1
2000 Low Sodium	1
Reg W/Diced Meat	1
Reg No Conc Sweets	3
Diced	6
Diced Low Fat/Chol	10
Diced W/Ground Meat	6
Pureed	9
Pureed Low Fat/Chol	1
Pureed W/Cliffdale	6
Low Fat/Chol	8
Vegetarian	1
Ground	10
Ground Low Fat/Chol	12

**ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE**

SUBJECT CONTRACT NUMBER:	
CONTRACTOR LEGAL ENTITY NAME:	PRINCE FOOD SYSTEMS, INC.
FEDERAL EMPLOYER IDENTIFICATION NUMBER: (or Social Security Number)	74-1190948

The Contractor, identified above, does hereby attest, certify, warrant, and assure that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract.

  
 \_\_\_\_\_  
 CONTRACTOR SIGNATURE

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

STEVE CAUDLE, CHIEF OPERATING OFFICER  
 \_\_\_\_\_  
 PRINTED NAME AND TITLE OF SIGNATORY

8/31/2010  
 \_\_\_\_\_  
 DATE OF ATTESTATION

**LIQUIDATED DAMAGES**

<b>DELIVERABLES</b>	<b>LIQUIDATED DAMAGES PER BUSINESS DAY</b>
Failure to provide services described in Section A.2. of this Contract.	\$1000 per day for failure to provide food services