

**CONTRACT #17**  
**RFS # 345.13-79809**  
**Edison # 17207**

**Department of Human Services**

**VENDOR:**  
**MAXIMUS Human Services, Inc.**  
**(30<sup>th</sup> Judicial District)**



**STATE OF TENNESSEE  
DEPARTMENT OF HUMAN SERVICES**

CITIZENS PLAZA BUILDING  
400 DEADERICK STREET  
NASHVILLE, TENNESSEE 37243-1403

TELEPHONE: 615-313-4700 FAX: 615-741-4165  
TTY: 1-800-270-1349  
[www.tn.gov/humanserv/](http://www.tn.gov/humanserv/)

**BILL HASLAM**  
GOVERNOR

**RAQUEL HATTER, MSW, Ed.D.**  
COMMISSIONER

April 25, 2014

Mr. Lucian Geise, Director  
Fiscal Review Committee  
Tennessee General Assembly  
320 6<sup>th</sup> Ave., N.  
8<sup>th</sup> Floor, Rachel Jackson Building  
Nashville, TN 37243

Dear Mr. Geise:

This correspondence will serve as the Summary Letter associated with our request for a continuation of services under the Public Exigency clause. The request affects the following contract for provision of child support services in Tennessee's 30<sup>th</sup> Judicial District (Shelby County).

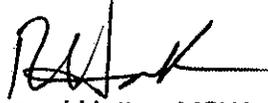
<u>Edison Contract #</u>	<u>Contractor Name</u>
17207	Maximus Human Services, Inc.

The current contract is set to expire as of June 30, 2014. We are requesting approval for an amendment that would continue services through December 31, 2014, in order to provide the Department time to carry out a satisfactorily competitive procurement process.

As of February, 2014, Tennessee's 30<sup>th</sup> Judicial District (Shelby County) had a caseload of 104,881, representing 26% of the statewide total of 399,894 open child support cases. As of that same point in time, they had \$81,691,347 in disbursed child support collections, representing approximately 21% of the state's total YTD figure of \$391,929,782 for SFY-14. These numbers serve to demonstrate both the scale of the child support operation in the 30<sup>th</sup> Judicial District, and the impact that performance in the District has on statewide performance levels. In order to provide a Contractor adequate time to assume responsibility for a child support operation of such magnitude, we feel that an implementation period of no less than four months must be provided for in the *pro forma* contract of the RFP, prior to the date upon which actual service provision would begin. Further, in order to afford all qualified Contractors sufficient time to pose questions, receive responses to those questions, and prepare satisfactory proposals, we feel it would be in the State's best interest to have the RFP released well in advance of the implementation period.

Please accept my thanks in advance for the Committee's consideration of our request for an amendment to continue services in the 30<sup>th</sup> Judicial District under the current contract. In addition to assisting the Department in obtaining the best service at a competitive price, we believe that the additional time will lessen the likelihood of a protest from a Contractor who felt that the RFP schedule did not provide enough time to propose for, and implement, a child support operation in Shelby County.

Sincerely,

A handwritten signature in black ink, appearing to read 'RHatter', with a long horizontal flourish extending to the right.

Raquel Hatter, MSW, Ed.D.  
Commissioner

RH: ejc

cc: Shalonda Cawthon, DHS Deputy Commissioner  
Basil Dosunmu, DHS Deputy Commissioner  
David Sanchez, DHS Assistant Commissioner for Child Support Services  
Charles Bryson, DHS Director of Child Support Services Field Operations  
Bill Russell, DHS General Counsel  
Stephen Reksten, DHS Director of Office of Procurement

Supplemental Documentation Required for  
Fiscal Review Committee

*Contact Name:	Robin Dieterich	*Contact Phone:	(615) 313-2270		
*Presenter's name(s):	Stephen Reksten				
Edison Contract Number: <i>(if applicable)</i>	17207	RFS Number: <i>(if applicable)</i>	34513-79809		
*Original or Proposed Contract Begin Date:	March 1, 2009	*Current or Proposed End Date:	June 30, 2014		
Current Request Amendment Number: <i>(if applicable)</i>	One				
Proposed Amendment Effective Date: <i>(if applicable)</i>	July 1, 2014				
*Department Submitting:	Department of Human Services				
*Division:	Child Support				
*Date Submitted:	April 25, 2014				
*Submitted Within Sixty (60) days:	Yes				
<i>If not, explain:</i>					
*Contract Vendor Name:	MAXIMUS Human Services, Inc.				
*Current or Proposed Maximum Liability:	\$59,467,500.00				
*Estimated Total Spend for Commodities:	Not Applicable				
<b>*Current or Proposed Contract Allocation by Fiscal Year:</b> <i>(as Shown on Most Current Fully Executed Contract Summary Sheet)</i>					
FY: 2010	FY: 2011	FY: 2012	FY: 2013	FY 2014	FY
\$11,893,500	\$12,102,82	\$11,687,525	\$11,612,525	\$12,171,125	\$
<b>*Current Total Expenditures by Fiscal Year of Contract:</b> <i>(attach backup documentation from Edison)</i>					
FY: 2010	FY: 2011	FY: 2012	FY: 2013	FY 2014	FY
\$7,584,621.76	\$8,839,656.79	\$8,543,192.16	\$7,184,386.15	\$4,318,965.68	\$
<b>IF</b> Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:			Contract Allocation has been greater than Contract Expenditures. The payment methodology for the contract is based on a percentage of child support collected. Lower than expected collections have resulted in decreased expenditures.		
<b>IF</b> surplus funds have been carried forward, please give the reasons and provide the authority for the carry forward provision:			None carried forward		
<b>IF</b> Contract Expenditures exceeded Contract Allocation, please give the reasons and explain how funding was acquired to pay the overage:			Not applicable		

Supplemental Documentation Required for  
Fiscal Review Committee

<b>*Contract Funding Source/Amount:</b>			
State:	\$20,218,948.00	Federal:	\$39,248,552.00
<i>Interdepartmental:</i>	\$0.00	<i>Other:</i>	\$0.00
If "other" please define:		Not applicable	
If "interdepartmental" please define:		Not applicable	
Dates of All Previous Amendments or Revisions: <i>(if applicable)</i>		Brief Description of Actions in Previous Amendments or Revisions: <i>(if applicable)</i>	
Not Applicable		Not Applicable	
Method of Original Award: <i>(if applicable)</i>		Alternative Procurement	
*What were the projected costs of the service for the entire term of the contract prior to contract award? How was this cost determined?		\$63,576,900.00	
*List number of other potential vendors who could provide this good or service; efforts to identify other competitive procurement alternatives; and the reason(s) a sole-source contract is in the best interest of the State.		Not applicable	

**MAXIMUS HUMAN SERVICES, INC.**

Voucher Business Unit	Invoice Date	Received Date	Payment Date	Voucher ID	Vendor ID	Vendor Name	Unit Price Qty Vouchered	Voucher Line Description
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**By Payment Date**

34501	8/11/2009	11/17/2009	12/28/2009	00001162	0000028677	Maximus Human Services	705250.300	Child Support Enforcement 30th JD
34501	8/11/2009	11/17/2009	12/28/2009	00001176	0000028677	Maximus Human Services	695403.750	Child Support Enforcement 30th JD
34501	10/27/2009	11/17/2009	12/28/2009	00001193	0000028677	Maximus Human Services	746217.610	Child Support Enforcement 30th JD
34501	11/9/2009	12/11/2009	12/29/2009	00002461	0000028677	Maximus Human Services	665348.640	Child Support Enforcement 30th JD
34501	12/15/2009	12/16/2009	1/11/2010	00002835	0000028677	Maximus Human Services	651647.400	Child Support Enforcement 30th JD
34501	1/13/2010	1/27/2010	2/9/2010	00004541	0000028677	Maximus Human Services	798012.680	Child Support Enforcement 30th JD
34501	4/26/2010	5/5/2010	5/26/2010	00009636	0000028677	Maximus Human Services	640059.860	Child Support Enforcement 30th JD
34501	4/26/2010	5/5/2010	5/26/2010	00009637	0000028677	Maximus Human Services	943270.150	Child Support Enforcement 30th JD
34501	4/26/2010	5/5/2010	5/26/2010	00009638	0000028677	Maximus Human Services	941485.320	Child Support Enforcement 30th JD
34501	5/10/2010	5/13/2010	6/9/2010	00010144	0000028677	Maximus Human Services	797926.050	Child Support Enforcement 30th JD

**\$7,584,621.76**

**By Payment Date**

34501	6/8/2010	6/11/2010	7/8/2010	00011948	0000028677	Maximus Human Services	842188.610	Child Support Enforcement 30th JD
34501	7/7/2010	7/14/2010	8/6/2010	00014843	0000028677	Maximus Human Services	728043.010	Child Support Enforcement 30th JD
34501	8/12/2010	8/19/2010	9/10/2010	00020837	0000028677	Maximus Human Services	650515.370	Child Support Enforcement 30th JD
34501	8/27/2010	8/30/2010	9/10/2010	00022976	0000028677	Maximus Human Services	401445.310	Child Support Enforcement 30th JD
34501	9/10/2010	9/15/2010	10/8/2010	00024211	0000028677	Maximus Human Services	621603.130	Child Support Enforcement 30th JD
34501	10/14/2010	10/22/2010	11/12/2010	00029337	0000028677	Maximus Human Services	614088.850	Child Support Enforcement 30th JD
34501	11/9/2010	12/6/2010	12/13/2010	00032493	0000028677	Maximus Human Services	657486.530	Child Support Enforcement 30th JD
34501	12/8/2010	12/16/2010	1/7/2011	00033472	0000028677	Maximus Human Services	620486.720	Child Support Enforcement 30th JD
34501	1/11/2011	1/18/2011	2/10/2011	00035117	0000028677	Maximus Human Services	653053.040	Child Support Enforcement 30th JD
34501	2/14/2011	3/2/2011	3/16/2011	00039012	0000028677	Maximus Human Services	579962.840	Child Support Enforcement 30th JD
34501	3/15/2011	3/22/2011	4/14/2011	00040935	0000028677	Maximus Human Services	811188.290	Child Support Enforcement 30th JD
34501	4/11/2011	4/13/2011	5/11/2011	00042809	0000028677	Maximus Human Services	882045.310	Child Support Enforcement 30th JD
34501	5/10/2011	5/20/2011	6/9/2011	00045722	0000028677	Maximus Human Services	777549.780	Child Support Enforcement 30th JD

**\$8,839,656.79**

**By Payment Date**

34501	6/10/2011	6/15/2011	7/8/2011	00047742	0000028677	Maximus Human Services	706954.170	Child Support Enforcement 30th JD
34501	8/1/2011	8/5/2011	8/31/2011	00051491	0000028677	Maximus Human Services	722949.390	Child Support Enforcement 30th JD
34501	8/22/2011	8/24/2011	9/21/2011	00052900	0000028677	Maximus Human Services	571697.250	Child Support Enforcement 30th JD
34501	9/13/2011	9/15/2011	10/13/2011	00054378	0000028677	Maximus Human Services	604796.750	Child Support Enforcement 30th JD
34501	10/18/2011	10/24/2011	11/17/2011	00056698	0000028677	Maximus Human Services	553936.830	Child Support Enforcement 30th JD
34501	11/10/2011	11/15/2011	11/30/2011	00057932	0000028677	Maximus Human Services	584561.910	Child Support Enforcement 30th JD

**MAXIMUS HUMAN SERVICES, INC.**

Voucher Business Unit	Invoice Date	Received Date	Payment Date	Voucher ID	Vendor ID	Vendor Name	Unit Price Qty Vouchered	Voucher Line Description
34501	12/14/2011	12/19/2011	12/28/2011	00060254	0000028677	Maximus Human Services	601116.380	Child Support Enforcement 30th JD
34501	1/19/2012	2/27/2012	3/8/2012	00065121	0000028677	Maximus Human Services	595464.590	Child Support Enforcement 30th JD
34501	2/9/2012	2/27/2012	3/8/2012	00065123	0000028677	Maximus Human Services	565355.060	Child Support Enforcement 30th JD
34501	3/8/2012	3/13/2012	3/26/2012	00066563	0000028677	Maximus Human Services	849480.030	Child Support Enforcement 30th JD
34501	4/11/2012	4/16/2012	4/24/2012	00069039	0000028677	Maximus Human Services	839431.960	Child Support Enforcement 30th JD
34501	5/10/2012	5/16/2012	5/24/2012	00071336	0000028677	Maximus Human Services	637241.720	Child Support Enforcement 30th JD
34501	6/5/2012	6/7/2012	6/18/2012	00073569	0000028677	Maximus Human Services	710206.120	Child Support Enforcement 30th JD
							<b>\$8,543,192.16</b>	

**By Payment Date**

34501	7/13/2012	7/20/2012	8/13/2012	00078400	0000028677	Maximus Human Services	610073.340	Child Support Enforcement 30th JD
34501	8/13/2012	8/15/2012	8/23/2012	00081435	0000028677	Maximus Human Services	552258.350	Child Support Enforcement 30th JD
34501	9/14/2012	9/19/2012	9/27/2012	00084727	0000028677	Maximus Human Services	527707.450	Child Support Enforcement 30th JD
34501	10/17/2012	10/23/2012	10/30/2012	00087497	0000028677	Maximus Human Services	532181.940	Child Support Enforcement 30th JD
34501	11/15/2012	11/20/2012	11/30/2012	00090090	0000028677	Maximus Human Services	582357.590	Child Support Enforcement 30th JD
34501	12/17/2012	12/18/2012	12/31/2012	00092239	0000028677	Maximus Human Services	521109.920	Child Support Enforcement 30th JD
34501	1/15/2013	1/16/2013	2/14/2013	00094141	0000028677	Maximus Human Services	563942.100	Child Support Enforcement 30th JD
34501	2/15/2013	2/20/2013	3/4/2013	00096582	0000028677	Maximus Human Services	560773.380	Child Support Enforcement 30th JD
34501	2/28/2013	3/15/2013	3/25/2013	00098558	0000028677	Maximus Human Services	584462.190	Child Support Enforcement 30th JD
34501	3/29/2013	4/16/2013	4/26/2013	00101238	0000028677	Maximus Human Services	856794.580	Child Support Enforcement 30th JD
34501	4/30/2013	5/17/2013	5/30/2013	00104085	0000028677	Maximus Human Services	643141.660	Child Support Enforcement 30th JD
34501	5/31/2013	6/17/2013	6/26/2013	00106428	0000028677	Maximus Human Services	649583.650	Child Support Enforcement 30th JD
							<b>\$7,184,386.15</b>	

**By Payment Date**

34501	6/30/2013	7/30/2013	8/7/2013	00110080	0000028677	Maximus Human Services	589072.560	Child Support Enforcement 30th JD
34501	7/31/2013	8/27/2013	9/10/2013	00112352	0000028677	Maximus Human Services	546183.890	Child Support Enforcement 30th JD
34501	8/31/2013	9/18/2013	10/2/2013	00113926	0000028677	Maximus Human Services	543307.330	Child Support Enforcement 30th JD
34501	9/30/2013	10/16/2013	10/30/2013	00116009	0000028677	Maximus Human Services	489816.410	Child Support Enforcement 30th JD
34501	10/31/2013	11/18/2013	11/29/2013	00118367	0000028677	Maximus Human Services	590391.400	Child Support Enforcement 30th JD
34501	11/30/2013	12/18/2013	12/30/2013	00120895	0000028677	Maximus Human Services	527606.900	Child Support Enforcement 30th JD
34501	12/31/2013	1/13/2014	1/30/2014	00122676	0000028677	Maximus Human Services	540395.910	Child Support Enforcement 30th JD
34501	1/31/2014	2/14/2014	2/28/2014	00124999	0000028677	Maximus Human Services	492191.280	Child Support Enforcement 30th JD
							<b>\$4,318,965.68</b>	

**\$36,470,822.54**

# Amendment Request

Route a completed request, as one file in PDF format, via e-mail attachment sent to: [Agsprrs.Agsprsr@tn.gov](mailto:Agsprrs.Agsprsr@tn.gov)

APPROVED

CHIEF PROCUREMENT OFFICER

DATE

Request Tracking #	34513-08514	
1. Procuring Agency	Department of Human Services	
2. Contractor	MAXIMUS Human Services, Inc.	
3. Contract #	FA 09-27362	
4. Proposed Amendment #	01	
5. Edison ID #	17207	
6. Contract Begin Date	March 1, 2009	
7. Current Contract End Date – with ALL options to extend exercised	June 30, 2014	
8. Proposed Contract End Date – with ALL options to extend exercised	December 31, 2014	
9. Current Maximum Contract Cost – with ALL options to extend exercised	\$ 59,467,500.00	
10. Proposed Maximum Contract Cost – with ALL options to extend exercised	\$ 64,430,700.00	
11. Office for Information Resources Pre-Approval Endorsement Request – information technology service (N/A to THDA)	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached	
12. eHealth Pre-Approval Endorsement Request – health-related professional, pharmaceutical, laboratory, or imaging	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached	
13. Human Resources Pre-Approval Endorsement Request – state employee training service	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached	
14. Explanation Need for the Proposed Amendment	<p>The current contract, under which child support services are provided in Tennessee's 30<sup>th</sup> Judicial District (Shelby County), is set to expire as of June 30, 2014. In order to provide an adequate timeframe for a competitive re-procurement of services in the 30<sup>th</sup> Judicial District, we believe it is in the State's best interest to extend the term of the current contract by six months.</p>	
15. Name & Address of the Contractor's Principal Owner(s) – NOT required for a TN state education institution		

Request Tracking #	34513-08514
<p>Kathleen L. Kerr, President  MAXIMUS, Human Services North America  1515 Wynkoop Street, Suite 400  Denver, CO 80202</p>	
<p>16. Evidence Contractor's Experience &amp; Length Of Experience Providing the Goods or Services</p> <p>MAXIMUS, which has nearly 40 years of experience in child support operations, currently partners with 25 states for outsourced child support programs. The Child Support division of the Department of Human Services has a long standing relationship with MAXIMUS spanning over fifteen years, and they currently operate full-service child support offices in five of Tennessee's nine privatized Judicial Districts. In addition to their full-service operations, MAXIMUS currently provides ancillary child support services through a contract with the Department for a statewide New Hire Reporting / Employer Maintenance project.</p>	
<p>17. Efforts to Identify Reasonable, Competitive, Procurement Alternatives</p> <p>None. Please see Item 18 below.</p>	
<p>18. Justification</p> <p>Pursuant to Section E.21. (Public Exigency Service Provision Extension) of the current contract, we are requesting approval for an amendment to continue services for an additional six months. As of February, 2014, Tennessee's 30<sup>th</sup> Judicial District (Shelby County) had a caseload of 104,881, representing 26% of the statewide total of 399,894 open child support cases. As of that same point in time, they had \$81,691,347 in disbursed child support collections, representing approximately 21% of the state's total YTD figure of \$391,929,782 for SFY-14. These numbers serve to demonstrate both the scale of the child support operation in the 30<sup>th</sup> Judicial District, and the impact that performance in the District has on statewide performance levels. In order to provide a contractor adequate time to assume responsibility for a child support operation of such magnitude, we feel that an implementation period of no less than four months must be provided for in the <i>pro forma</i> contract of the RFP, prior to the date upon which actual service provision would begin. Further, in order to afford <u>all</u> qualified contractors sufficient time to pose questions, receive responses to those questions, and prepare satisfactory proposals, we feel it would be in the State's best interest to have the RFP released well in advance of the implementation period. As the current contract for services in the 30<sup>th</sup> Judicial District is set to expire as of June 30, 2014, we are requesting approval for an amendment that would continue services through December 31, 2014, in order to provide the Department time to carry out a satisfactorily competitive procurement process. In addition to assisting the Department in obtaining the best service at a competitive price, we believe that the additional time will lessen the likelihood of a protest from a contractor who felt that the RFP schedule did not provide enough time to propose for, and implement, a child support operation in Shelby County.</p>	
<p>Agency Head Signature and Date – <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 circumstances</i></p> <p> 4.23.14</p>	



## CONTRACT AMENDMENT COVER SHEET

Agency Tracking # 34513-79809	Edison ID 17207	Contract # FA09-27362	Amendment # 1		
Contractor Legal Entity Name MAXIMUS Human Services, Inc.			Edison Vendor ID 28677		
Amendment Purpose & Effect(s) Change in funding, wording, and dates.					
Amendment Changes Contract End Date: XYES <input type="checkbox"/> NO		End Date: December 31, 2014			
TOTAL Contract Amount INCREASE or DECREASE per this Amendment (zero if N/A):			<b>\$ 4,963,200.00</b>		
Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2010	\$4,043,790.00	\$7,849,710.00	0.00	0.00	\$11,893,500.00
2011	\$4,114,960.00	\$7,987,865.00	0.00	0.00	\$12,102,825.00
2012	\$3,973,758.00	\$7,713,767.00	0.00	0.00	\$11,687,525.00
2013	\$3,948,258.00	\$7,664,267.00	0.00	0.00	\$11,612,525.00
2014	\$4,138,182.00	\$8,032,943.00	0.00	0.00	\$12,171,125.00
2015	\$1,687,488.00	\$3,275,712.00	0.00	0.00	\$4,963,200.00
<b>TOTAL:</b>	<b>\$21,906,436.00</b>	<b>\$42,524,264.00</b>	<b>0.00</b>	<b>0.00</b>	<b>\$64,430,700.00</b>
American Recovery and Reinvestment Act (ARRA) Funding: <input type="checkbox"/> YES XNO					
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.  <b>Basil A. Dosunmu</b>			<i>CPO USE</i>		
Speed Chart (optional) HS00000229		Account Code (optional) 70803000			

**AMENDMENT ONE  
OF CONTRACT FA09-27362**

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

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

B. CONTRACT PERIOD:

B.1. This Contract shall be effective for the period beginning March 1, 2009, and ending on December 31, 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 Sixty-Four Million Four Hundred Thirty Thousand Seven Hundred Dollars and No Cents (\$64,430,700.00). 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.b. is deleted in its entirety and replaced with the following:

b. The Contractor shall be compensated based upon the following payment rates:

	7/1/09-6/30/10	7/1/10-6/30/11	7/1/11-6/30/12	7/1/12-6/30/13	7/1/13-6/30/14	7/1/14-12/31/2014
<b>Percentage of Disbursed Collections*</b>	7.76%	7.01%	6.11%	5.60%	5.29%	5.29%

\*As represented on the Monthly Performance Measures Report, which is a report to be provided to the Contractor by the Department of Human Services on a monthly basis to show the disbursed collections data for a specific judicial district.

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

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.

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

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

The State:

Ken Hall, Program Director  
 Department of Human Services  
 400 Deaderick Street, 14<sup>th</sup> Floor  
 Nashville, TN 37243-1403  
[ken.hall@tn.gov](mailto:ken.hall@tn.gov)  
 Telephone: (615) 313-5208  
 FAX: (615) 532-2791

The Contractor:

Kathleen L. Kerr, President  
 MAXIMUS, Human Services North America  
 1515 Wynkoop Street, Suite 400  
 Denver, CO 80202  
[KathyKerr@maximus.com](mailto:KathyKerr@maximus.com)  
 Telephone: (303) 863-0900

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

6. Contract Section E.19. is deleted in its entirety and replaced with the following:

E.19. Confidentiality of Records. The Contractor agrees that strict standards of confidentiality of records shall be maintained in accordance with State and Federal law and regulations (Reference TCA Sections 71-1-131, 71-3-119, 45-10-101 et seq., 45-10-118, and 50-7-701, 45 Code of Federal Regulations Sections 205.50, 303.21, and 307.13; 26 U.S.C. Section 6103(j); 42 U.S.C. Sections 653, and 1320b-7), and all other applicable State and Federal laws regulations and any and all data-sharing agreements between the Tennessee Department of Human Services and the Federal Government, specifically including, but not limited to, the SDS-BENDEX-SVES for 1137 and/or Child Support Benefit Programs Data Matching Agreement between the Social Security Administration and the Tennessee Department of Human Services.

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

- (b) The Contractor further agrees that any information provided by the State relative to applicants or recipients of public assistance is to be used only for the administration of this Contract or in any investigation, prosecution, or criminal, administrative or civil proceeding conducted pursuant to this Contract. The Contractor agrees to provide safeguards to restrict the use or disclosure of any information concerning such applicants or recipients to purposes stated in this section.
- (c) The safeguards so provided shall also prohibit disclosure to any legislator, legislative or other committee or legislative body, investigator, attorney, or prosecutor of any information which identifies by name or address any such applicant or recipient, except as otherwise permitted by law.
- (d) The Contractor agrees that any Federal or State tax related information will be treated as confidential as set forth in this section, and will be used solely for purposes of administering the child support program, unless otherwise required by law.
- (e) It shall be the Contractor's responsibility to ensure that any destruction of confidential information, as described in this section, will be accomplished in a manner consistent with State policy and Federal regulations pertaining to the destruction of private or confidential data. Confidential information shall be destroyed completely by a method that assures complete obliteration, removal, or destruction to preclude recognition or reconstruction of the confidential information.
- (f) The Contractor's obligations under this section do not apply to information: in the public domain; entering the public domain but not from a breach by the Contractor of this Contract; previously possessed by the Contractor without written obligations to the State to protect it; acquired by the Contractor without written restrictions against disclosure from a third party which, to the Contractor's knowledge, is free to disclose the information; independently developed by the Contractor without the use of the State's information; or, disclosed by the State to others without restrictions against disclosure.
- (g) In performance of this Contract, the Contractor agrees to comply with and assume responsibility for compliance by his or her employees with the following requirements regarding Federal Tax Information (FTI):
  - 1) All work will be done under the supervision of the Contractor or the Contractor's employees.
  - 2) Any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this Contract. Information contained in such material will be treated as confidential and will not be divulged or made known in any manner to any person except as may be necessary in the performance of this Contract. Disclosure to anyone other than an officer or employee of the Contractor is prohibited.
  - 3) All returns and return information will be accounted for upon receipt and properly stored before, during, and after processing. In addition, all related output will be given the same level of protection as required for the source material.
  - 4) The Contractor certifies that the data processed during the performance of this Contract will be completely purged from all data storage components of his or her computer facility; no output will be retained by the Contractor at the time the work is completed. If immediate purging of all data storage components is not possible, the Contractor certifies that any IRS data remaining in any storage component will be safeguarded to prevent unauthorized disclosures.
  - 5) Any spoilage or any intermediate hard copy printout that may result during the processing of IRS data will be given to the State or its designee. When this is not possible, the Contractor will be responsible for the destruction of the spoilage or

any intermediate hard copy printouts, and will provide the State or its designee with a statement containing the date of destruction, description of material destroyed, and the method used.

- 6) All computer systems processing, storing, or transmitting Federal tax information must meet the requirements defined in IRS Publication 1075. To meet functional and assurance requirements, the security features of the system must have the following minimum requirements: a security policy, accountability, assurance, and documentation. All security features must be available and activated to protect against unauthorized use of and access to Federal tax information.
  - 7) No work involving Federal tax information furnished under this Contract will be subcontracted without prior written approval from the State.
  - 8) The Contractor will maintain a list of employees having authorized access. Such list will be provided to the State upon request and, upon request, to the IRS reviewing office.
  - 9) The State will have the right to void the Contract if the Contractor fails to provide the safeguards described above.
- (h) Criminal /Civil Sanctions: Each officer or employee of any person to whom returns or return information is or may be disclosed will be notified in writing by such person that returns or return information disclosed to such officer or employee can be used only for a purpose and to the extent authorized herein, and that further disclosure of any such returns or return information for a purpose or to an extent unauthorized herein constitutes a felony punishable upon conviction by a fine of as much as five thousand dollars (\$5,000.00) or imprisonment for as long as five (5) years, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized further disclosure of returns or return information may also result in an award of civil damages against the officer or employee in an amount not less than one thousand dollars (\$1,000.00) with respect to each instance of unauthorized disclosure. These penalties are prescribed by IRC sections 7213 and 7431 and set forth at 26 CFR 301.6103(n)-1.

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

Additionally, it is incumbent upon the Contractor to inform its officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a(I)(1), which is made applicable to Contractors by 5 U.S.C. 552a(m)(1), provides that any officer or employee of a Contractor, who by virtue of his/her employment or official position, has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who knowing that disclosure of the specific material

is prohibited, willfully disclosed the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than five thousand dollars (\$5,000.00).

- (i) Inspection: The IRS and the State shall have the right to send its officers and employees into the offices and plants of the Contractor for inspection of the facilities and operations provided for the performance of any work under this Contract. On the basis of such inspection, specific measures may be required in cases where the Contractor is found to be non-compliant with Contract safeguards.
- (j) The Contractor agrees, and understands, that access to FTI must be preceded by certification that all personnel of the Contractor and its subcontractors understand security policy and procedures for safeguarding IRS information. Training provided prior to initial certification, and annually thereafter, must include, but not be limited to, Incident Response policy and procedures for reporting unauthorized disclosures and data breaches. Further, the Contractor agrees that all personnel of the Contractor, and all personnel of subcontractors performing services under this Contract for the Contractor, authorized to handle Federal tax related information will sign, annually, an IRS Confidentiality Form, to be provided by the State, with the original signed forms to be maintained by the Contractor, along with a current list of its employees, and those of its subcontractors, performing services under this Contract. These IRS Confidentiality Forms, and the list of Contractor's employees and those of its subcontractors performing services under this Contract, shall be made available to the State and the IRS upon request.
- (k) It is expressly understood and agreed the obligations set forth in this section shall survive the termination of this Contract.

7. The following is added as Contract Section E.26:

E.26. Tennessee Department of Revenue Registration. The Contractor shall be registered with the Department of Revenue for the collection of Tennessee sales and use tax. This registration requirement is a material requirement of this Contract.

8. The following is added as Contract Section E.27:

E.27. Federal Funding Accountability and Transparency Act (FFATA). This Contract requires the Contractor to provide supplies and/or services that are funded in whole or in part by federal funds that are subject to FFATA. The Contractor is responsible for ensuring that all applicable requirements, including but not limited to those set forth herein, of FFATA are met and that the Contractor provides information to the State as required.

The Contractor shall comply with the following:

- a. Reporting of Total Compensation of the Contractor's Executives.
  - (1) The Contractor shall report the names and total compensation of each of its five most highly compensated executives for the Contractor's preceding completed fiscal year, if in the Contractor's preceding fiscal year it received:
    - i. 80 percent or more of the Contractor's annual gross revenues from Federal procurement contracts and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and
    - ii. \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts), and Federal financial assistance subject to the Transparency Act (and subawards); and
    - iii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d))

or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/execomp.htm>).

Executive means officers, managing partners, or any other employees in management positions.

- (2) Total compensation means the cash and noncash dollar value earned by the executive during the Contractor's preceding fiscal year and includes the following (for more information see 17 CFR 229.402(c)(2)):
- i. Salary and bonus.
  - ii. Awards of stock, stock options, and stock appreciation rights. Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2004) (FAS 123R), Shared Based Payments.
  - iii. Earnings for services under non-equity incentive plans. This does not include group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of executives, and are available generally to all salaried employees.
  - iv. Change in pension value. This is the change in present value of defined benefit and actuarial pension plans.
  - v. Above-market earnings on deferred compensation which is not tax qualified.
  - vi. Other compensation, if the aggregate value of all such other compensation (e.g. severance, termination payments, value of life insurance paid on behalf of the employee, perquisites or property) for the executive exceeds \$10,000.
- b. The Contractor must report executive total compensation described above to the State by the end of the month during which this Contract is awarded.
  - c. If this Contract is amended to extend its term, the Contractor must submit an executive total compensation report to the State by the end of the month in which the amendment to this Contract becomes effective.
  - d. The Contractor will obtain a Data Universal Numbering System (DUNS) number and maintain its DUNS number for the term of this Contract. More information about obtaining a DUNS Number can be found at: <http://fedgov.dnb.com/webform/>

The Contractor's failure to comply with the above requirements is a material breach of this Contract for which the State may terminate this Contract for cause. The State will not be obligated to pay any outstanding invoice received from the Contractor unless and until the Contractor is in full compliance with the above requirements.

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

**Amendment Effective Date.** The revisions set forth herein shall be effective July 1, 2014. All other terms and conditions of this Contract not expressly amended herein shall remain in full force and effect.

**IN WITNESS WHEREOF,**

**MAXIMUS HUMAN SERVICES, INC.:**

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**RICHARD A. MONTONI, PRESIDENT & CEO**

**DATE**

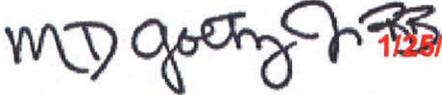
**DEPARTMENT OF HUMAN SERVICES:**

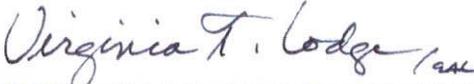
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**RAQUEL HATTER, COMMISSIONER**

**DATE**

**REQUEST: RULE EXCEPTION**

<b>APPROVED</b>	cy09-42
	
1/25/08	
<b>Commissioner of Finance &amp; Administration</b>	
<b>Date:</b> 1/25/08	

<b>RFS #</b>	345 . 13 — 824 — 08		
<b>INFORMATION ABOUT THE EXCEPTION(S) REQUESTED</b>			
<b>SUBJECT RULE NUMBER(S) :</b>			
0620-3-3-.07 (5) Contract Term - A contract shall be entered into for a period or contract term sufficient to adequately accomplish the state's procurement objectives, provided that the contract contains appropriate termination provisions for performance failures, funding changes, and state convenience. However, no contract term shall exceed sixty (60) months.			
<b>DESCRIPTION OF EXCEPTION(S) :</b>			
The Department of Human Services seeks a rule exception to permit a contract term of sixty-four (64) months or five (5) years and four (4) months.			
<b>JUSTIFICATION :</b> (compelling rationale for and validation of rule exception request)			
The Department's child support enforcement contracts are typically for sixty (60) months. However, this particular procurement was necessitated by the fact that the service provider in the 30 <sup>th</sup> Judicial District elected not to continue providing services beyond June 30, 2008. This exception is necessary in order to provide sufficient lead time for a new contractor to develop the infrastructure necessary to begin offering services on July 1, 2008, thus facilitating a seamless transition in services as we move from one contractor to another.			
<b>INFORMATION REGARDING THE APPLICABLE CONTRACT</b>			
<b>CONTRACTOR :</b>	To be determined		
<b>SERVICE INVOLVED :</b>	Child Support Enforcement in Tennessee's 30 <sup>th</sup> Judicial District (Shelby County)		
<b>BEGIN DATE :</b>	March 7, 2008		
<b>END DATE</b> (including ALL options for term extension) :	June 30, 2013		
<b>MAXIMUM LIABILITY</b> (including ALL options for term extension) :	\$63,576,900		
<b>AGENCY HEAD REQUEST SIGNATURE:</b> (signed by the procuring agency head or authorized signatory)			
	<b>SIGNATURE DATE:</b>	1-24-08	

<b>OCR</b> <b>1/25/08</b> <b>RECEIVED</b>
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# CONTRACT SUMMARY SHEET

121107

<b>RFS #</b>  <b>345.13-798-09</b>	<b>Contract #</b>  <i>FA-09-27362-00</i>
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<b>State Agency</b> Department of Human Services	<b>State Agency Division</b> Child Support
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<b>Contractor Name</b> Maximus Human Services, Inc.	<b>Contractor ID # (FEIN or SSN)</b> <input type="checkbox"/> C- or <input checked="" type="checkbox"/> V- 45-0553376
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**Service Description**  
Child Support Enforcement 30th JD

<b>Contract BEGIN Date</b> <i>March / July 4, 2009</i>	<b>Contract END Date</b> June 30, 2014	<b>Subrecipient or Vendor?</b> Vendor	<b>CFDA #</b> 93.563
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**Mark Each TRUE Statement**

<input checked="" type="checkbox"/> Contractor is on STARS	<input checked="" type="checkbox"/> Contractor's Form W-9 is on file in Accounts
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Allotment Code	Cost Center	Object Code	Fund	Funding Grant Code	Funding Subgrant Code
345.13	101	089	11	495	001

FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2010	\$4,043,790.00	\$7,849,710.00	\$0.00	\$0.00	\$11,893,500.00
2011	\$4,114,960.00	\$7,987,865.00	\$0.00	\$0.00	\$12,102,825.00
2012	\$3,973,758.00	\$7,713,767.00	\$0.00	\$0.00	\$11,687,525.00
2013	\$3,948,258.00	\$7,664,267.00	\$0.00	\$0.00	\$11,612,525.00
2014	\$4,138,182.00	\$8,032,943.00	\$0.00	\$0.00	\$12,171,125.00
					\$0.00
<b>TOTAL:</b>	<b>\$20,218,948.00</b>	<b>\$39,248,552.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$59,467,500.00</b>

OCR RELEASED

APR 02 2009

TO ACCOUNTS

**— COMPLETE FOR AMENDMENTS ONLY —**

<b>FY</b>	<b>Base Contract &amp; Prior Amendments</b>	<b>THIS Amendment ONLY</b>	<b>State Agency Fiscal Contact &amp; Telephone #</b> Randy Lynch, Jr. (615) 313-4586
			<b>State Agency Budget Officer Approval</b>  <i>Jeffrey W. Roberts</i>
			<b>Funding Certification</b> (certification, required by T.C.A., § 9-4-5113, that there is a balance in the appropriation from which the obligated expenditure is required to be paid that is not otherwise encumbered to pay obligations previously incurred)
<b>TOTAL:</b>	<b>\$0.00</b>	<b>\$0.00</b>	<i>(See attached)</i>
<b>End Date</b>			<b>MAR 18 2009</b>

**Contractor Ownership** (complete for ALL base contracts— N/A to amendments or delegated authorities)

<input type="checkbox"/> African American	<input type="checkbox"/> Person w/ Disability	<input type="checkbox"/> Hispanic	<input type="checkbox"/> Small Business	<input type="checkbox"/> Government
<input type="checkbox"/> Asian	<input type="checkbox"/> Female	<input type="checkbox"/> Native American	<input checked="" type="checkbox"/> NOT Minority/Disadvantaged	<input type="checkbox"/> Other

**Contractor Selection Method** (complete for ALL base contracts— N/A to amendments or delegated authorities)

<input type="checkbox"/> RFP	<input type="checkbox"/> Competitive Negotiation*	<input checked="" type="checkbox"/> Alternative Competitive Method*
<input type="checkbox"/> Non-Competitive Negotiation*	<input type="checkbox"/> Negotiation w/ Government (ID,GG,GU)	

**Procurement Process Summary** (complete for Non-Competitive Negotiation, Competitive Negotiation, OR Alternative Method)

Awarded based on lowest cost offer on professional bid solicitation.

OCR

MAR 10 2009

RECEIVED

**CONTRACT**  
**BETWEEN THE STATE OF TENNESSEE,**  
**Department of Human Services**  
**AND**  
**MAXIMUS Human Services, Inc.**

This Contract, by and between the State of Tennessee, Department of Human Services, hereinafter referred to as the "State" or "Department" and MAXIMUS Human Services, Inc., hereinafter referred to as the "Contractor," is for the provision of child support enforcement services in Tennessee's 30th Judicial District in Shelby County, Tennessee, as further defined in the "SCOPE OF SERVICES."

The Contractor is a for profit corporation.

Contractor Federal Employer Identification or Social Security Number: 45-0553376  
 Contractor Place of Incorporation or Organization: Virginia

A. SCOPE OF SERVICES:

- A.1. The Contractor shall provide all service 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. The Contractor shall begin service delivery of the items outlined herewith in Section A on July 1, 2009. If unable to begin service delivery on said date, the Contractor shall provide written notice to the State a minimum of thirty (30) days in advance. (Reference Attachment A-Breaches and Associated Liquidated Damages.) The Contractor shall utilize the period from March 1, 2009 through June 30, 2009 as a pre-implementation period.
- A.2. The Contractor shall establish and maintain a child support enforcement program in the 30th Judicial District of Tennessee which complies fully with the provisions of Title IV-D of the Social Security Act, 42 U.S.C. 651 et seq. as amended, Title 45 of the Code of Federal Regulations (C.F.R.), state law and regulations, and Child Support program policy and program directives. The Contractor shall be responsible and accountable for the proper operation of the enforcement program.
- A.3. Legal Representation. Legal counsel employed or retained by the Contractor shall be licensed in the State of Tennessee and shall attend and represent the State in every judicial hearing involving the Title IV-D Child Support program. Said hearings shall include reviews by Tennessee courts of any type of administrative action taken by the Department involving the Title IV-D Child Support program; provided, however, such counsel shall not represent the State in appellate court appeals or reviews of any such hearings or actions in the Tennessee Court of Appeals or in the Tennessee Supreme Court. Such legal counsel shall represent the State in federal bankruptcy court in actions involving the Title IV-D Child Support program, but not in any other Title IV-D Child Support actions arising in other federal trial or administrative tribunals or in any federal appellate courts, unless otherwise directed in the policies and procedures of the Department's Child Support program or as otherwise specifically directed by the Office of General Counsel of the Department or by the Tennessee Attorney General and Reporter.

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

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

- A.3.a. The Contractor shall bring all court actions in the name of the State and the person receiving IV-D services, and shall notify the State and/or Attorney General in a timely fashion of any judicial or administrative decision or settlement offers or agreements which may adversely affect the State's interest. Furthermore, the Contractor shall not enter into any settlement which may result in the loss of State revenue.
- A.3.b. The Contractor shall maintain and furnish to the State a listing of all legal counsel employed or retained through a subcontractual relationship to represent the State in matters related to this Contract. Such listing shall include complete names of such individuals, addresses, direct telephone numbers, and State-issued bar numbers. This information shall be provided to the Department of Human Services' Office of General Counsel and to the General Civil Division of the State Attorney General's Office, with updates to such listing provided within ten (10) working days of employment or reassignments of counsel.
- A.4. The Contractor shall utilize all Administrative Orders made available by the State IV-D agency for enforcement purposes.
- A.5. The Contractor shall ensure that the following services are available and provided in a timely manner for all applicable Title IV-D cases:
- A.5.a. **CASE INITIATION:** Case initiation shall include activities associated with initial child support case opening activities, including providing and accepting applications for service from a custodial or non-custodial parent or other designated caretaker of the child(ren), collection of necessary case information on the Tennessee Child Support Enforcement System (TCSES), and providing the IV-D case or member number to the Clerk of Court when necessary. The following intake performance standards must be met:
- A.5.a.i. A IV-D application must be provided on the day it is requested, if requested in person, or within five (5) working days if requested by phone or mail. A copy of the Tennessee Child Support Handbook, with any current supplements or inserts, must be provided with the application.
- A.5.a.ii. Within twenty (20) calendar days of receiving a referral or application for services, an assessment of the case must be completed, to include solicitation of necessary information from the applicant, initiation of verifications, and if necessary, initiation of activities designed to locate a parent (Reference A.5.c.i. Location Activities).
- A.5.b. **ESTABLISHING LEGAL OBLIGATION FOR FINANCIAL AND MEDICAL SUPPORT:**
- A.5.b.i. **Use of Legal and Administrative Remedies, Establishment of Paternity, Use of and Payment for Genetic Testing.**
- The Contractor shall be responsible for the timely use of appropriate legal remedies, including the administrative remedy processes provided for in Federal and State law, to secure orders of paternity and support after successful location activities. Paternity determination may be achieved through agreed orders, contested court action, or a voluntary acknowledgment. In any contested paternity establishment action, a request for genetic testing shall be filed with the appropriate tribunal. If the State has paid the costs of the genetic testing and the alleged father is determined to be the legal father, the court must be petitioned to reassess the costs of the genetic testing against the defendant father.
- A.5.b.ii. **Use of Child Support Guidelines, Form of Order, Use of Income Withholding.**
- In establishing a legal obligation to support, the Contractor must petition for support in accordance with the State child support award guidelines in Chapter 1240-2-4 of the Department's rules. The petition must request that child support to be set is expressed in a specific dollar amount, due per month, including any arrearages. Petitions must also include language requesting the immediate use of income withholding on all new support orders for all assignable income which is currently, or later becomes, available.
- A.5.b.iii. **Establishment of Medical Support.**
- The Contractor shall petition the court to establish a legal obligation for the medical support of the child in the form of health insurance in every Temporary Assistance to Needy Families (TANF), Medicaid/TennCare, and Foster Care case if the child does not have medical insurance, other than Medicaid/TennCare and in all Non-TANF cases, including those in which the child does not have medical insurance. The petition shall include a request that, in the event the Court finds that health insurance is not available at reasonable cost, the court order that such insurance be obtained for the child when and if it becomes available. The Contractor shall comply with amendments to medical support enforcement as required by 42 U.S.C. §666 (a) (19), 45 C.F.R., part 303, Tennessee Code Annotated, Sections 36-5-501 and 36-5-503, and

State policy regarding the establishment of medical support for children. Unless a court or administrative order allows health care coverage for a child by a method other than employer-based health care coverage, the Contractor must, pursuant to 42 U.S.C. §666 and 45 C.F.R., part-303, use the mandatory National Medical Support Notice, promulgated by the Federal Office of Child Support Enforcement to inform the non-custodial parent's employer of the provision in the order for health care coverage.

**A.5.c. TIMEFRAMES APPLICABLE TO ESTABLISHING ORDERS:**

**A.5.c.i. Location Activities.**

The Contractor shall verify a residence or employer address where the non-custodial parent may be served. The Contractor shall establish and utilize local and State provided resources for locating parents. Location requirements include assisting the State in locating non-custodial parents for other jurisdictions.

The following timeframes for location activities must be met:

- (a) Within seventy-five (75) calendar days of determining that location is necessary, all appropriate location services must be utilized, including referral to the Federal Parent Locator Service (FPLS).
- (b) When location activities have been unsuccessful, efforts must be repeated at least quarterly or at any point new location information is received. Quarterly attempts may be limited to automated resources but must include accessing State Employment Security files via the Tennessee Clearinghouse System.

**A.5.c.ii. Service of Process.**

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

**A.5.c.iii. Paternity Establishment.**

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

**A.5.c.iv. Establishment of Support Order.**

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

**A.5.d. ENFORCEMENT OF SUPPORT ORDERS:**

**A.5.d.i.** The Contractor shall employ appropriate legal remedies, including those administrative processes provided for in Federal and State law, to enforce all orders of support in a timely manner. The orders to be enforced shall include, but are not limited to, the enforcement of spousal support when it is contained in the same order with child support; and medical support if the order specifies a dollar amount to be paid for medical support; or the provision of health insurance coverage.

**A.5.d.ii.** Enforcement remedies to be utilized shall include, but shall not be limited to:

- (a) immediate income withholding on all new and modified orders as well as all cases with a delinquency or arrears;
- (b) sending the federal medical support notice established under 42 U.S.C. § 666(a)(19) to any employer to provide notice to the employer of the requirement for employer-based health care coverage for such child through the child's parent who has been ordered to provide health care

coverage for such child;

- (c) contempt proceedings;
- (d) establishment and enforcement of liens against real or personal property, including tort actions, worker's compensation actions, or other civil actions wherein a money judgment may be obtained, and attachment and liquidation of assets;
- (e) issuance of administrative seizure orders;
- (f) execution on judgments, including the use of garnishment;
- (g) requirement of bonds to secure support;
- (h) utilization of the Internal Revenue Service (IRS) full collection service;
- (i) extradition, where appropriate;
- (j) utilization of the passport denial program and other programs made available as enforcement tools;
- (k) use of the federal court system; and
- (l) adherence to the guidelines established for the Treasury Offset Program for federal funds owed to child support obligors.

**A.5.e. TIMEFRAMES APPLICABLE TO ENFORCEMENT ACTION:**

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

A.5.e.ii. When immediate issuance of an Income Assignment order is not possible due to lack of information regarding employment, enforcement action must be taken, unless service of process is necessary, within thirty (30) calendar days of identifying the delinquency or arrears, or locating the non-custodial parent.

A.5.e.iii. When service of process is necessary, service must be completed (or unsuccessful attempts to serve process must be documented) and enforcement action taken within sixty (60) calendar days of identifying the delinquency or arrears or the location of the non-custodial parent.

A.5.f. The Contractor shall initiate review proceedings in accordance with Federal and State law, regulations, and State program policy, using appropriate administrative and/or judicial proceedings, and if appropriate, adjust the support order amount administratively or petition the appropriate court or tribunal for such changes in accordance with Federal and State law and regulations and State program policy. All petitions for modification of orders shall include a request for income withholding.

A.6. The Contractor agrees to comply with all requirements set forth in the Child Support Policy and Procedures Manual and policy updates to the manual, copies of which will be supplied to the Contractor, and the terms of which are incorporated by reference.

A.7. PERFORMANCE STANDARDS. The Contractor shall meet or exceed the following Performance Standards: 1) Order Establishment - 50%; 2) Current Collections - 40%. Failure by the Contractor to meet these Performance Standards will subject the Contractor to Liquidated Damages, unless, at the sole discretion of the State, it is determined that extenuating circumstances were present. (Reference Attachment A-Breaches and Associated Liquidated Damages.)

A.8. The Contractor shall provide a written Corrective Action Plan within sixty (60) days of the date of any letter from the State which specifies a failure to meet one or more federally mandated performance standards, stated above in A.7., and requests a Corrective Action Plan. All Corrective Action Plans are subject to review and approval by the State. If implementation of the corrective action plan does not result in the Contractor meeting the required performance standards by the next annual review, the Contractor shall be subject to Liquidated Damages. (Reference Attachment A-Breaches and Associated Liquidated Damages.)

- A.9. The Contractor shall provide a written Corrective Action Plan within sixty (60) days of the date of any letter from the State which specifies a program deficiency and requests a Corrective Action Plan and take necessary corrective action, subsequent to approval of the Plan. All Corrective Action Plans are subject to review and approval by the State. (Reference A.62., A.63., and Attachment A-Breaches and Associated Liquidated Damages.)
- A.10. The Contractor shall clarify and/or revise within fifteen (15) working days any Corrective Action Plan which the State determines to be unacceptable in addressing deficiencies. (Reference Attachment A-Breaches and Associated Liquidated Damages.)
- A.11. **PERFORMANCE GOALS.** Contractor effectiveness and efficiency shall be judged on ability to meet or exceed performance goals.
- A.11.a. As of the end of the final month of each Contract Year, the Year-To-Date ratio on the Monthly Performance Measures Report for that month, comparing the number of IV-D paternities established or acknowledged to the number of IV-D children born out of wedlock must equal or exceed the corresponding level for that Contract Year as indicated in the table below, or have averaged that level over the term of that Contract Year.

CONTRACT YEAR	PATERNITY ESTABLISHMENT RATIO
1	76
2	78
3	80
4	82
5	84

- A.11.b. As of the end of the final month of each Contract Year, the Year-To-Date ratio on the Monthly Performance Measures Report for that month, comparing the number of IV-D cases in which a Support order (financial/medical) exists to the total number of IV-D cases in the Contractor's caseload at the same reference point in time, must equal or exceed the corresponding level for that Contract Year as indicated in the table below, or have averaged that level over the term of that Contract Year.

CONTRACT YEAR	SUPPORT ORDER RATIO
1	56
2	58
3	60
4	62
5	64

- A.11.c. As of the end of the final month of each Contract Year, the Year-To-Date ratio on the Monthly Performance Measures Report for that month, comparing the total amount of current support disbursed to the total amount of current support owed, must equal or exceed the corresponding level for that Contract Year as indicated in the table below, or have averaged that level over the term of that Contract Year.

CONTRACT YEAR	CURRENT SUPPORT RATIO
1	53.5
2	54
3	54.5
4	55
5	55.5

- A.12. With the exception of the final Contract Year, including all options for term extension, failure to meet any of the Performance Goals set forth in this section will require the submission of a written Improvement Plan within thirty (30) days of the date of any letter from the State requesting such submission. Further, the Contractor shall clarify and/or revise, within fifteen (15) days, any Improvement Plan submitted in accordance with this Section, which the State determines to be unacceptable.
- A.13. The Contractor shall participate in any State initiated Corrective Action Plan necessary to respond to an audit, regardless of whether the Contractor's office(s) failed the audit.
- A.14. The Contractor shall accept case referrals from the Department via automated system interface and case transfers from other in-state jurisdictions, and shall provide application forms and accept applications from any custodial parent, non-custodial parent, or other designated caretaker of a child who desires Title IV-D services.
- A.15. The Contractor shall continue efforts for collection of court-ordered obligated arrears and/or medical support owed to the State when a TANF and/or TennCare family loses eligibility, unless there is no possibility of securing such, as determined by the State. Additionally, the Contractor shall continue to provide all appropriate child support services to the family as a non-TANF case unless conditions exist that preclude continued services as set forth in the Child Support Policy and Procedures Manual.
- A.16. The Contractor shall close appropriate cases in a timely manner per instructions provided in the Child Support Policy and Procedures Manual.
- A.17. The Contractor shall utilize available legal processes to seek enforcement by the Court, Referee or Hearing Officer of all unpaid child support at any judicial or administrative hearing appropriate for such purpose.
- A.18. The Contractor shall use the TCSES as the exclusive computer system for all child support operations. The Contractor agrees to: input necessary data; use such system as directed by the State; work cooperatively with Clerks of Court regarding automated system issues; and designate specific staff as needed to maintain adequate TCSES system support.
- A.19. No later than the first working day following a decision establishing or modifying a support order, the Contractor shall ensure that the support order information is keyed into the TCSES, except for good cause as determined by the State.
- A.20. The Contractor shall utilize the computers, software, and printers supplied by the State to provide child support enforcement services. The Contractor shall supplement these as deemed necessary by the Contractor, at the Contractor's expense. The Contractor shall insure minimum software standards of Windows XP and Microsoft Office Suite 2003 for Contractor-supplied software. (Reference Attachment D, A.75., and E.25.)
- A.21. The Contractor understands and agrees that the State network connection and software will only be used in the performance of the agreed upon functions, and that usage of the State network connection and network software for unauthorized purposes may result in the cancellation of this Contract, and that the State may pursue all remedies at law and in equity.
- A.22. The Contractor shall ensure, to every extent possible, that all support payments are made by the obligor directly to the State Centralized Collections Unit, so that the State may comply with the distribution provisions of Title IV-D. The Contractor shall not collect any support monies.
- A.23. The Contractor shall cooperate with other states in matters concerning Interstate IV-D cases as required by 45 C.F.R. §303.7, and Chapter 8 of the Child Support Policy and Procedures Manual. Such cooperation shall include, but not be limited to, providing accurate and sufficient information to other states, notifying responding states of changes in case status, and providing all appropriate establishment and enforcement procedures and notifications as required by Federal regulations, under 45 C.F.R. §303.7.
- A.24. The Contractor shall immediately respond to the State IV-D agency's central office on any requests for case status information. Such response shall contain sufficient information regarding the status of the case to permit the State to reply to the inquiring party in an effective manner.
- A.25. The Contractor shall advise the State of any significant changes in court filing procedures occurring within the Judicial District.
- A.26. The Contractor shall maintain accurate case records for all IV-D cases during the Contract period.
- A.27. The Contractor shall establish and maintain complete automated case records as required in the Child Support Policy and Procedures Manual for all Departmental referrals and other applications for Title IV-D services. Such case records shall include, but are not limited to, the following information:
- a) A record of any contact with an applicant or TANF recipient, including date, reason and result of the contact.

- b) A record of any contact with the non-custodial parent, including date, reason and result of such contact.
  - c) A record of any actions taken in accordance with Section A.5.(a-f) of this Contract, including dates and results of such actions.
  - d) A record of any communications with the State or Federal government on the case.
  - e) A record of any case closures, including the date and reason for closure action.
- A.28. The Contractor shall furnish to the State the Contractor's documented and tested Disaster Recovery Plan.
- A.29. The Contractor shall maintain, in hard copy, a signed application from each non-TANF applicant. Other items, as deemed necessary by the Contractor or State, including, but not limited to, court orders, other pertinent legal documents, and correspondence, shall be retained in hard copy. Both automated and hard copy case files, including, but not limited to, all client records and records related to case activity, shall be considered the property of the State of Tennessee and shall be delivered immediately to the State or its designee upon Contract termination or at such other time as these are requested by the State. (Reference Section E.20.)
- A.30. The Contractor shall timely resolve all TCSES generated mail messages.
- A.31. The Contractor shall timely perform all appropriate employer maintenance activities which relate to connecting appropriate employer(s) of the non-custodial parent for purposes of income assignment.
- A.32. The Contractor shall ensure that TCSES worker alerts and suspended payments are resolved in a timely manner as defined by the State.
- A.33. The Contractor shall ensure that, at a minimum, the child support office Administrator and attorney(s) attend any meetings sponsored by the State at which attendance is requested. Such meetings will generally not exceed twelve (12) days per year with no more than six (6) overnight stays involved; however, unique or unusual training requirements could result in an increase in the number of meetings where attendance is required. Except in emergency situations, a minimum two (2) week notice of meetings will be given to the Contractor. Travel associated with meeting attendance shall be at the Contractor's sole expense.
- A.34. The Contractor shall be responsible for the proper training and management of staff assigned to this project including training conducted pursuant to State directives resulting from cited deficiencies made manifest through Technical Assistance Reviews, customer complaint patterns, or other sources.
- A.35. The Contractor shall ensure that, at a minimum, the Child Support Office(s) remain(s) open and staffed on all days that the State is open and staffed. Core hours shall be consistent with hours established for State offices. The Contractor's staff shall be available to assist clients continuously throughout the day, from opening until close of business, including the lunch hour. The Contractor shall have the latitude to locate staff outside the Memphis area in order to more efficiently and effectively deliver the required services. TCSES access for staff located outside of the 30<sup>th</sup> Judicial District will be limited to customer service inquiry and demographics, employment, and notepad updates. (Reference Attachment A - Breaches and Associated Liquidated Damages.)
- A.36. The Contractor shall ensure that brochures, pamphlets, notices and/or press releases state that the Tennessee Department of Human Services (TDHS) is funding this child support office and that any complaints, suggestions or recommendations be reported to the Department of Human Services at 1-800-838-6911. The Contractor shall further ensure that the TDHS logo is included on brochures and pamphlets, and that prior State approval shall be obtained on all brochures, pamphlets, notices and press releases.
- A.37. The Contractor shall establish and maintain professional working relationships with the Judiciary, Clerks of Court, local law enforcement, employers, and local Department of Human Services (DHS) offices.
- A.38. The Contractor shall refer any cases of suspected fraud related to child support or receipt of public assistance to the Department's Office of Inspector General.
- A.39. The Contractor shall refer any cases of suspected statutory rape to the District Attorney. Reference T.C.A. Sections 38-1-305, 38-1-306, 39-13-504, 39-13-506, and 39-13-522.
- A.40. The Contractor shall cooperate fully with any data collection and evaluation activities or audits carried out by the State or Federal government in connection with the services performed under this Contract.
- A.41. The Contractor shall, in a timely manner in the event the Contractor receives notice that an obligor has filed a Bankruptcy petition, secure all relevant information immediately and file a proof of claim with the Bankruptcy Court on behalf of the State. The Contractor shall comply with all Bankruptcy procedures, and take such actions as may be permitted by law to obtain child support.

- A.42. The Contractor shall petition the Court for program fees to be assessed against the obligor for services rendered in accordance with instructions from the State and to ensure that such fees, as well as genetic testing reimbursement payments, are paid and properly remitted to the State.
- A.43. The Contractor shall, as directed by the State, collect and remit any fees required by State or Federal law, regulation or policy.
- A.44. The Contractor shall comply with Title VI of the Civil Rights Act of 1964. Compliance shall include, but not be limited to:
- A.44.a. Training of staff on the civil rights of applicants/recipients of Title IV-D services, both on an annual basis for all employees and as part of orientation training for new employees;
- A.44.b. A process for receiving and investigating any complaints regarding Title VI discrimination. Notice of the process for filing a complaint must be posted in a conspicuous place for clients;
- A.44.c. The provision of appropriate language assistance at no cost to the applicant/recipient to ensure that persons with limited English proficiency are not excluded from equal program participation. Appropriate language assistance includes, but is not limited to: translation of documents, contract staff interpreters, contract interpreters from within the community, and a telephone interpreter service. (Reference A.72.)
- A.44.d. The availability of language assistance services, at no cost, must be posted in a conspicuous place available to all employees, applicants, and clients.
- A.45. **Telephone Services.** The Contractor shall ensure that incoming telephone lines are sufficient to enable callers to reach the Contractor ninety-five percent (95%) of the time on the first try, and to wait no longer than six (6) minutes in the on-line queue. The Contractor shall, upon request of the State, provide service level reports detailing average handle time and average wait time for calls. (Reference Attachment A - Breaches and Associated Liquidated Damages.)
- A.45.a. The Contractor shall provide appropriate telephone equipment necessary to comply with Title VI requirements regarding limited English proficient clients and for use when telephonic hearings are requested.
- A.46. The Contractor shall comply with Title IV-D of the Social Security Act, as amended, Title 45, Code of Federal Regulations as amended, and Tennessee Code Annotated, as amended. Failure to adhere to the provisions of this section shall be considered a breach of the Contract and a basis for termination for cause and shall also subject the Contractor to liquidated damages. (Reference Attachment A - Breaches and Associated Liquidated Damages).
- A.46.a. The Contractor shall comply with the State of the Tennessee Child Support Guidelines and their application to all Title IV-D cases, except where a final order of any Court shall have been entered directing otherwise and there is a final disposition on the appeal or the time to appeal such order have expired. The legal staff provided under this contract for Title IV-D actions shall notify the Office of General Counsel in each case where the Court departs from the Child Support Guidelines in a manner inconsistent with the interpretation of the Guidelines by the Department or the Tennessee Appellate Courts. (Reference Attachment A - Breaches and Associated Liquidated Damages).
- A.46.b. The Contractor shall adhere to all orders of a Court of competent jurisdiction except where an order has been timely appealed and the order has not been finalized due to the appeal of such order. (Reference Attachment A - Breaches and Associated Liquidated Damages).
- A.46.c. The Contractor shall adhere to all final orders of any Administrative Hearing Officer of the Department and shall not attempt to seek judicial review of any final orders of the Commissioner of the Department of Human Services. (Reference Attachment A - Breaches and Associated Liquidated Damages).
- A.46.d. The Contractor agrees with, and shall adhere to, the interpretation by the Tennessee Attorney General's Office that, pursuant to Rule 43 of the Tennessee Rules of Appellate Procedures, the order of a Tennessee trial court is not final until the mandate of the appellate court has been issued to the trial court and that an order declaring any provision of the Tennessee Child Support Guidelines or any statute unconstitutional or otherwise invalid is not final until such mandate has been entered. This provision shall continue in effect only as long as Rule 43 remains substantially unchanged from the date this Contract is effective or until further interpretation by the Attorney General or the Tennessee Court of Appeals or the Tennessee Supreme Court. (Reference Attachment A - Breaches and Associated Liquidated Damages).
- A.47. The Contractor shall submit for the Department's approval the resume of persons proposed as management or supervisory staff of the project within thirty (30) days of contract execution and shall submit for approval the resumes of any personnel changes to these original staff.
- A.48. The Contractor shall provide a Monthly Project Update Report no later than end of the month following the reporting period. The report shall consist of, at a minimum:

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

The Contractor shall provide additional reports as requested by the State. (Reference Attachment A - Breaches and Associated Liquidated Damages).

- A.49. The Contractor shall, at such time a new procurement for services provided for in this contract is issued, assist potential bidders in understanding operations of the child support enforcement office. This assistance may include, but not be limited to, facilitating interviews with the attorney(s) and office administrator(s) and the review of pertinent statistical data, such as child support collections and caseload.
- A.50. The Contractor shall identify any State-referred cases wherein the caretaker refuses to cooperate in the effort to secure or enforce an order of support and notify the appropriate local office of the Department of Human Services of such refusal.
- A.51. **Customer Service Unit.** The Contractor shall establish a Customer Service Unit responsible for developing complaint processing and resolution procedures, which must be submitted to the State for approval. The State may develop a customer satisfaction survey instrument which will be utilized periodically through the term of the Contract to assess Contractor performance in this area and to determine the effectiveness of the Contractor's customer service process. A copy of the survey instrument will be provided to the Contractor for informational purposes only.
- A.51.a The Contractor shall comply with State policy regarding the Informal Complaint Process by providing a complete explanation of the procedure to customers.
- A.52. **PHYSICAL SECURITY - MINIMUM PROTECTION STANDARDS.** The Contractor agrees that strict physical security standards shall be maintained in accordance with State policy and Internal Revenue Service Publication 1075 (Rev 6-2007). The objective of these standards is to prevent unauthorized access to Federal Tax Information (FTI). Minimum Protection Standards (MPS) require **two barriers** to accessing FTI under normal security, configured using one of the following three options: 1) secured perimeter/locked container; 2) locked perimeter/secured interior; 3) locked perimeter/security container. Locked means an area or a container that has a lock, and the keys or combinations are controlled. A security container is a lockable metal container with a resistance to forced penetration, and security locks and keys or combinations that are controlled. The reason for the two barriers is to provide an additional layer of protection to deter, delay or detect surreptitious entry. Protected information must be containerized in areas where other than authorized employees may have access after hours.

The Contractor shall maintain strict physical security by employing one of the three alternatives described in Sections A.52.a through A.52.c. For alternatives 2 & 3, intrusion detection equipment must be added to doors and windows as follows: Intrusion Detection Systems (IDS) designed to detect attempted breaches of perimeter areas. IDS to be used in conjunction with other measures to provide forced entry protection for after hours security. Additionally, alarms for individual and document safety (fire) and other physical hazards (water pipe breaks) are recommended. Alarms shall annunciate at an on-site protection console, a central station or local police station. Intrusion Detection Systems include, but are not limited to, door and window contacts, magnetic switches, motion detectors, sound detectors, etc., and are designed to set off an alarm at a given location when the sensor is disturbed.

A.52. a. **ALTERNATIVE 1:**

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

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

A.52. b. **ALTERNATIVE 2:**

**Locked perimeter** - High security pin-tumbler cylinder locks meeting the following criteria:

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

**Secured Interior Area** – same specifications as secured perimeter as defined in A.52.a.

A.52.c. ALTERNATIVE 3:

**Locked Perimeter** –as defined in A.52.b.

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

- A.53. The Contractor shall insure that genetic testing is conducted in accordance with the TCSES Policy and Procedures Manual. The State will pay for said genetic testing.
- A.54. The State will transmit appropriate child and spousal support case referrals to the Contractor pursuant to Title IV-D of the Social Security Act, 42 U.S.C. §651, *et seq.* Such referrals will contain the name of the recipient, names of the children and the associated non-custodial parent, if known, such identifying information as is available to assist in the Location Activities and support enforcement process, pertinent known legal information relative to marital status and orders for support, the amount of the family's assistance (TANF) grant or State provided medical services, available data relative to the non-custodial parent's whereabouts and employment, and any other available information which may relate to the support process.
- A.55. The State will provide pertinent information relative to changes of status in referred cases, including, but not limited to, closure of the public assistance case and changes in the aid group.
- A.56. The State may, at its discretion, withdraw any case referrals.
- A.57. The State will provide location service, which will allow access through automated interfaces to various local, state, regional and national databases to facilitate the location of non-custodial parents.
- A.58. The State will ensure that collections are appropriately disbursed to the family and to the federal and state government.
- A.59. The State will consult with the Contractor concerning potential settlements affecting the rights of the State and concerning all adverse administrative or judicial rulings in order to determine appropriate remedies to be sought by the Contractor or the State Attorney General.
- A.60. The State will monitor Contractor performance through regular on-site visits.
- A.61. The State will assess Contractor office effectiveness, achievement of performance goals, and desired outcomes in accordance with Federal regulations, State and Federal laws, and applicable court decisions.
- A.62. The State, at its discretion, will conduct technical assistance reviews of the operation of the Contractor's IV-D program. The State may require a new or revised corrective action plan to address any deficiencies. (Reference Attachment A - Breaches and Associated Liquidated Damages.)
- A.63. The State will notify the Contractor within thirty (30) work days of the receipt of a corrective action plan of the acceptability of the plan and allow fifteen (15) calendar days for the Contractor to submit a clarification or revision if the Plan is deemed to be unacceptable to the State. (Reference Attachment A - Breaches and Associated Liquidated Damages.)
- A.64. The State may impose liquidated damages for failure to timely submit an acceptable corrective action plan. The imposition of such does not preclude the State's right to terminate the Contract during the assessment of the penalty. (Reference Attachment A - Breaches and Associated Liquidated Damages.)
- A.65. The State may impose liquidated damages for failure to correct the cited deficiencies within the corrective action period, such imposition not to preclude Contract termination. (Reference Attachment A - Breaches and Associated Liquidated Damages.)
- A.66. The State will serve as the Central Registry for all incoming Interstate IV-D case requests, such as requests for case status and application of appropriate child support enforcement remedies, and will disseminate these requests to the Contractor.
- A.67. The State will provide to the Contractor all essential forms to be used in the administration of the program as well as hard copies of the Tennessee Child Support Handbook.

- A.68. The State will provide a program policy manual.
- A.69. The State will make application, in appropriate cases and upon Contractor request, to the United States Department of Health and Human Services (DHHS) for permission to utilize a United States District Court to enforce a child support order against a non-custodial parent who is present in another state.
- A.70. The State will make application, in appropriate cases and upon Contractor request, to the United States Department of Health and Human Services (DHHS) for certification to the Department of Treasury for purposes of full collection services of unpaid child support obligations.
- A.71. The State will meet with Contractors on a regular basis.
- A.72. The State will offer, at no charge to the Contractor, telephone interpreter service.
- A.73. The State will provide a connection to the state network, including the necessary circuit and router.
- A.74. The State will provide Groupwise, PC Forms, and Attachmate software.
- A.75. The State will provide to the Contractor a monthly file of 30<sup>th</sup> Judicial District case information.

**B. CONTRACT TERM:**

- B.1. Contract Term. This Contract shall be effective for the period commencing on March 1, 2009 and ending on June 30, 2014. The State shall have no obligation for services rendered by the Contractor which are not performed within the specified period.

**C. PAYMENT TERMS AND CONDITIONS:**

- C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed Fifty-Nine Million Four Hundred Sixty-Seven Thousand Five Hundred Dollars and No Cents (\$59,467,500.00). The payment rates in Section C.3 shall constitute the entire compensation due the Contractor for the Service and all of the Contractor's obligations hereunder regardless of the difficulty, materials or equipment required. The payment rates include, but are not limited to, all applicable taxes, fees, overheads, profit, 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 service defined in Section A.
  - b. The Contractor shall be compensated based upon the following payment rates:

	7/1/09-6/30/10	7/1/10-6/30/11	7/1/11-6/30/12	7/1/12-6/30/13	7/1/13-6/30/14
<b>Percentage of Disbursed Collections*</b>	7.76%	7.01%	6.11%	5.60%	5.29%

\*As represented on the *Monthly Performance Measures Report*, which is a report to be provided to the Contractor by the Department of Human Services on a monthly basis to show the disbursed collections data for a specific judicial district.

- c. In the first year of service delivery, the Contractor's annual compensation shall be limited to the lesser of \$11,893,500 or an amount based upon the rate displayed in the table above. Notwithstanding the foregoing, the State, at its discretion, may reduce the \$11,893,500 threshold amount by a percentage equal to the percentage of any reduction in the amount of collections in the contract period July 1, 2009, through June 30, 2010, below the amount of collections recorded in the fiscal year ending June 30, 2009.
- d. The Contractor shall utilize the period from March 1, 2009 through June 30, 2009 as a pre-implementation period. However, no compensation will be paid to the Contractor until actual service delivery begins July 1, 2009.
- e. In addition to payment made in year two based upon the above payment rate schedule, the Contractor may earn an incentive. This incentive will be as a result of an increase in state share of child support collections retained for grant reimbursement. Said incentive will be calculated based on the state retained collections for grant reimbursement above \$2,831,000 for cases assigned to the 30<sup>th</sup> Judicial District. The state will share equally with the Contractor any amount above the \$2,831,000 collected by June 30, 2010.
- f. In the event that the State terminates this Contract for convenience prior to June 30, 2010, the State will pay a termination fee to offset the Contractor's reasonable start-up costs associated with implementation of this Contract. Said termination fee shall be limited to One Million One Hundred Eighty-Nine Thousand Three Hundred Fifty Dollars and No Cents (\$1,189,350.00), which is an amount equal to no more than ten percent (10%) of the maximum liability established for the first year of the contract as specified in the contract summary document, which ends June 30, 2010. The Contractor shall provide to the State all necessary supporting documentation to justify reasonable start-up costs that were incurred prior to July 1, 2009 and were associated with implementation of this Contract.

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:

Tennessee Department of Human Services  
6<sup>th</sup> Floor Citizens Plaza Bldg.  
400 Deaderick St.  
Nashville, TN 37243-1403

- 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: Tennessee Department of Human Services, Division of Child Support 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 or any amendment thereof until it is approved by the appropriate State officials in accordance with applicable Tennessee State laws and regulations.
- D.2. Modification and Amendment. This Contract may be modified only by a written amendment executed by all parties hereto and approved by the appropriate Tennessee State officials in accordance with applicable Tennessee State laws and regulations.
- D.3. Termination for Convenience. The State may terminate this Contract without cause for any reason. Said termination shall not be deemed a Breach of Contract by the State. The State shall give the Contractor at least Ninety (90) days written notice before the effective termination date. The Contractor shall be entitled to receive compensation for satisfactory, authorized service completed as of the termination date, but in no event shall the State be liable to the Contractor for compensation for any service which has not been rendered. Upon such termination, the Contractor shall have no right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- D.4. Termination for Cause. If the Contractor fails to properly perform its obligations under this Contract in a timely or proper manner, or if the Contractor violates any terms of this Contract, the State shall have the right to immediately terminate the Contract and withhold payments in excess of fair compensation for completed services. Notwithstanding the above, the Contractor shall not be relieved of liability to the State for damages sustained by virtue of any breach of this Contract by the Contractor.

- D.5. Subcontracting. The Contractor shall not assign this Contract or enter into a subcontract for any of the services performed under this Contract without obtaining the prior written approval of the State. If such subcontracts are approved by the State, they shall contain, at a minimum, sections of this Contract 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 as Attachment B, hereto, semi-annually during the period of this Contract. Such attestations shall be maintained by the contractor and made available to state officials upon request.
  - b. Prior to the use of any subcontractor in the performance of this Contract, and semi-annually thereafter, during the period of this Contract, the Contractor shall obtain and retain a current, written attestation that the subcontractor shall not knowingly utilize the services of an illegal immigrant to perform work relative to this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant to perform work relative to this Contract. Attestations obtained from such subcontractors shall be maintained by the contractor and made available to state officials upon request.
  - c. The Contractor shall maintain records for all personnel used in the performance of this Contract. Said records shall be subject to review and random inspection at any reasonable time upon reasonable notice by the State.
  - d. The Contractor understands and agrees that failure to comply with this section will be subject to the sanctions of Public Chapter 878 of 2006 for acts or omissions occurring after its effective date. This law requires the Commissioner of Finance and Administration to prohibit a contractor from contracting with, or submitting an offer, proposal, or bid to contract with the State of Tennessee to supply goods or services for a period of one year after a contractor is discovered to have knowingly used the services of illegal immigrants during the performance of this contract.
  - e. For purposes of this Contract, "illegal immigrant" shall be defined as any person who is not either a United States citizen, a Lawful Permanent Resident, or a person whose physical presence in the United States is authorized or allowed by the federal Department of Homeland Security and who, under federal immigration laws and/or regulations, is authorized to be employed in the U.S. or is otherwise authorized to provide services under the Contract.
- 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, acts of God, natural disasters, riots, wars, strikes, 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 and 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:

Ken Hall  
 Department of Human Services  
 400 Deaderick Street  
 Citizens Plaza Building - 12th Floor  
 Nashville, TN 37243-1403  
[Ken.Hall@state.tn.us](mailto:Ken.Hall@state.tn.us)  
 Telephone Number: (615) 313-6116  
 Fax Number: (615) 532-2791

The Contractor:

Mr. Frank Mirkow  
 MAXIMUS Human Services, Inc.  
 11419 Sunset Hills Rd.  
 Reston, VA 20190  
[frankmirkow@maximus.com](mailto:frankmirkow@maximus.com)  
 Telephone Number: (703) 234-3214  
 Fax Number: (703) 251-8240

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. Voluntary Buyout Program. The Contractor acknowledges and understands that, for a period of two years beginning August 16, 2008, restrictions are imposed on former state employees who received a State of Tennessee Voluntary Buyout Program (VBP) severance payment with regard to contracts with state agencies that participated in the VBP.
- a. The State will not contract with either a former state employee who received a VBP severance payment or an entity in which a former state employee who received a VBP severance payment or the spouse of such an individual holds a controlling financial interest.
  - b. The State may contract with an entity with which a former state employee who received a VBP severance payment is an employee or an independent contractor. Notwithstanding the foregoing, the Contractor understands and agrees that there may be unique business circumstances under

which a return to work by a former state employee who received a VBP severance payment as an employee or an independent contractor of a State contractor would not be appropriate, and in such cases the State may refuse Contractor personnel. Inasmuch, it shall be the responsibility of the State to review Contractor personnel to identify any such issues.

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

E.6 Breach. A party shall be deemed to have breached the Contract if any of the following occurs:

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

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

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

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

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

The State may continue to withhold the Liquidated Damages or a portion thereof *until the Contractor cures the Breach*, the State exercises its option to declare a Partial Default, or the State terminates the Contract. The State is not obligated to assess Liquidated Damages before availing itself of any other remedy. The State may choose to discontinue Liquidated Damages and avail itself of any other remedy available under this Contract or at law or equity; provided, however, Contractor shall receive a credit for said Liquidated Damages previously withheld except in the event of a Partial Default.

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

In the event the State declares a Partial Default, the State may withhold, together with any other damages associated with the Breach, from the amounts due the Contractor the greater of: (1) amounts which would be paid the Contractor to provide the defaulted service; or (2) the cost to the State of providing the defaulted service, whether said service is provided by the State or a third party. To determine the amount the Contractor is being

paid for any particular service, the Department shall be entitled to receive within five (5) days any requested material from Contractor. The State shall make the final and binding determination of said amount.

(4) Opportunity to Cure—

(a) At the State's option, the Contractor shall have the opportunity to cure a breach of contract resulting in failure to perform. The request for a cure period must be submitted in writing within three (3) business days of Contractor being notified of, or becoming aware of, a failure to perform the services as outlined within this Contract.

(b) The cure period granted under subsection (a) shall not exceed fifteen (15) business days. The Contractor may submit a written request for a cure period longer than fifteen (15) days, setting forth the reasons for such request.

(c) This opportunity to cure shall not be available in circumstances in which the Contractor intentionally withholds its services or otherwise refuses to perform. The State will not consider a request to cure contract performance where there have been repeated problems with respect to identical or similar issues, if a cure period would unreasonably delay completion of the Contract, or if State operations dependent on the Contract would be adversely impacted.

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

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

E.7. Partial Takeover. The State may, at its convenience and without cause, exercise a partial takeover of any service which the Contractor is obligated to perform under this Contract, including but not limited to any service which is the subject of a subcontract between Contractor and a third party, although the Contractor is not in Breach (hereinafter referred to as "Partial Takeover"). Said Partial Takeover shall not be deemed a Breach of Contract by the State. Contractor shall be given at least 30 days prior written notice of said Partial Takeover with said notice to specify the area(s) of service the State will assume and the date of said assumption. Any Partial Takeover by the State shall not alter in any way Contractor's other obligations under this Contract. The State may withhold from amounts due the Contractor the amount the Contractor would have been paid to deliver the service as determined by the State. The amounts shall be withheld effective as of the date the State assumes the service. Upon Partial Takeover, 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.8. State Ownership of Work Products. "Work Product," shall mean all deliverables such as, but not limited to, manuals, processes, procedures, reports, software, software source code, documentation, planning, etc., that are created, designed, developed, or documented by the Contractor for the State during the course of

the project using the State's money or resources. The State shall have ownership, right, title, and interest, including ownership of copyright, in all work products, created, designed, developed, derived, documented, installed, or delivered under this Contract subject to the next subsection and full and final payment for each "Work Product." The State shall have royalty-free and unlimited rights and license to use, disclose, reproduce, publish, distribute, modify, maintain, or create derivative works from, for any purpose whatsoever, all said Work Products.

- a. To the extent that the Contractor uses any of its pre-existing, proprietary or independently developed tools, materials or information ("Contractor Materials"), the Contractor shall retain all right, title and interest in and to such Contractor Materials, and the State shall acquire no right, title or interest in or to such Contractor Materials EXCEPT the Contractor grants to the State an unlimited, non-transferable license to use, copy and distribute internally, solely for the State's internal purposes, any Contractor Materials reasonably associated with any Work Product provided under the Contract.
- b. The Contractor shall furnish such information and data as the State may request, including but not limited to computer code, that is applicable, essential, fundamental, or intrinsic to any Work Product and Contractor Materials reasonably associated with any Work Product, in accordance with this Contract and applicable state law.
- c. 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.
- d. 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. Printing Authorization. The Contractor agrees that no publication coming within the jurisdiction of **Tennessee Code Annotated**, Section 12-7-101, *et. seq.*, shall be printed unless a printing authorization number has been obtained and affixed as required by **Tennessee Code Annotated**, Section 12-7-103 (d).

E.10. Lobbying. The Contractor certifies, to the best of its knowledge and belief, that:

- a. No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
- b. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this contract, grant, loan, or cooperative agreement, the Contractor shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- c. The Contractor shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

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

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

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

the Contractor's services are endorsed. It is expressly understood and agreed that the obligations set forth in this section shall survive the termination of this Contract in perpetuity.

- E.13. Copyrights and Patents. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims or suits which may be brought against the State for infringement of any laws regarding patents or copyrights which may arise from the Contractor's performance of this Contract. In any such action brought against the State, the Contractor shall satisfy and indemnify the State for the amount of any final judgment for infringement. The Contractor further agrees it shall be liable for the reasonable fees of attorneys for the State in the event such service is necessitated to enforce the terms of this Contract or otherwise enforce the obligations of the Contractor to the State. The State shall give the Contractor written notice of any such claim or suit and full right and opportunity to conduct the Contractor's own defense thereof.
- E.14. Public Accountability. If the Contractor is subject to *Tennessee Code Annotated*, Title 8, Chapter 4, Part 4 or if this contract involves the provision of services to citizens by the Contractor on behalf of the State, the Contractor agrees to establish a system through which recipients of services may present grievances about the operation of the service program, and the Contractor shall display in a prominent place, located near the passageway through which the public enters in order to receive services pursuant to this contract, a sign at least twelve inches (12") in height and eighteen inches (18") in width stating:

NOTICE: THIS AGENCY IS A RECIPIENT OF TAXPAYER FUNDING. IF YOU OBSERVE AN AGENCY DIRECTOR OR EMPLOYEE ENGAGING IN ANY ACTIVITY WHICH YOU CONSIDER TO BE ILLEGAL, IMPROPER, OR WASTEFUL, PLEASE CALL THE STATE COMPTROLLER'S TOLL-FREE HOTLINE: 1-800-232-5454

- E.15. Environmental Tobacco Smoke. Pursuant to the provisions of the federal "Pro-Children Act of 1994" and the Tennessee "Children's Act for Clean Indoor Air of 1995" and any amendments thereto, the Contractor shall prohibit smoking of tobacco products within any indoor premises in which services are provided pursuant to this Contract to individuals under the age of eighteen (18) years. The Contractor shall post "no smoking" signs in appropriate, permanent sites within such premises. This prohibition shall be applicable during all hours, not just the hours in which children are present. Violators of the prohibition may be subject to civil penalties and fines. This prohibition shall apply to and be made part of any subcontract related to this Contract.
- E.16. Authorized Individuals. Each party hereto has provided the other party hereto with a list identifying the individuals from whom the other party is authorized to accept any notices, requests, demands, or other advice which may be given hereunder by the party providing such list. Said lists, which are attached hereto as Attachment C, shall be valid until revoked or amended by further written notice. The parties hereto shall only be entitled to rely on notices, requests, demands, or other advice given by such individuals.
- E.17. Hold Harmless. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims, liabilities, losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity which may be injured or damaged as a result of acts, omissions, or negligence on the part of the Contractor, its employees, or any person acting for or on its or their behalf relating to this Contract. The Contractor further agrees it shall be liable for the reasonable cost of attorneys for the State in the event such service is necessitated to enforce the terms of this Contract or otherwise enforce the obligations of the Contractor to the State.
- In the event of any such suit or claim, the Contractor shall give the State immediate notice thereof and shall provide all assistance required by the State in the State's defense. The State shall give the Contractor written notice of any such claim or suit, and the Contractor shall have full right and obligation to conduct the Contractor's own defense thereof. Nothing contained herein shall be deemed to accord to the Contractor, through its attorney(s), the right to represent the State of Tennessee in any legal matter, such rights being governed by *Tennessee Code Annotated*, Section 8-6-106.
- E.18. Debarment and Suspension. The Contractor certifies, to the best of its knowledge and belief, that it, its current and future principals, its current and future subcontractors and their principals:
- a. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal or State department or agency;

- b. have not within a three (3) year period preceding this Contract been convicted of, or had a civil judgment rendered against them from commission of fraud, or a criminal offence in connection with obtaining attempting to obtain, or performing a public (Federal, State, or Local) transaction or grant under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;
- c. are not presently indicted for or otherwise criminally or civilly charged by a government entity (Federal, State, or Local) with commission of any of the offenses detailed in section b. of this certification; and
- d. have not within a three (3) year period preceding this Contract had one or more public transactions (Federal, State, or Local) terminated for cause or default.

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.19. Confidentiality of Records. The Contractor agrees that strict standards of confidentiality of records shall be maintained in accordance with State and Federal law and regulations (Reference T.C.A. Section 71-1-131, Section 71-3-119, T.C.A. Sections 45-10-101 et seq., and 45-10-118; T.C.A. Section 50-7-701, 45 Code of Federal Regulations 205.50, 26 U.S.C. 6103(j); 42 U.S.C. 653, 42 U.S.C. 13020b-7, and all other applicable State and Federal laws regulations and any and all data-sharing agreements between the Tennessee Department of Human Services and the Federal Government, specifically including, but not limited to, the SDS-BENDEX-SVES for 1137 and/or Child Support Benefit Programs Data Matching Agreement between the Social Security Administration and the Tennessee Department of Human Services.
- a. All material and information provided to the Contractor by the State or acquired by the Contractor on behalf of the State whether verbal, written, electronic, magnetic tape, cards or otherwise shall be regarded as confidential information in accordance with the provisions of Federal and State law and ethical standards and shall not be disclosed, except as otherwise permitted by law, regulation or court order. All necessary steps shall be taken by the Contractor to safeguard the confidentiality of such material or information in conformance with Federal and State law and ethical standards.
  - b. The Contractor further agrees that any information provided by the State relative to applicants for child support services, persons subject to any order for child support, or applicants for or recipients of public assistance is to be used only for the administration of this Contract or in any investigation, prosecution, or criminal, civil or administrative proceeding related to the administration of the Title IV-D child support program or the public assistance program, unless otherwise ordered by a court of competent jurisdiction or by the State. The Contractor agrees to provide safeguards to restrict the use or disclosure of any information concerning such applicants or recipients to purposes stated herein. The Contractor agrees to immediately notify the State if any court order, subpoena or other process is directed to the Contractor for disclosure of any records which have been provided to the Contractor by the State.
  - c. The safeguards so provided shall also prohibit disclosure to any legislator, legislative or other committee or legislative body, of any information which identifies by name, address, or other identifying information, any such applicant or recipient, except as otherwise permitted by law.
  - d. The Contractor agrees that any Federal or State tax related information will be treated as confidential, and will be used solely for purposes of administering the child support program, unless otherwise required by law.
  - e. It shall be the Contractor's responsibility to ensure that any destruction of confidential information, as described in this section, will be accomplished in a manner consistent with State policy and Federal regulations pertaining to the destruction of private or confidential data.
  - f. The Contractor's obligations under this section do not apply to information: in the public domain; entering the public domain but not from a breach by the Contractor of this Contract; previously possessed by the Contractor without written obligations to the State to protect it; acquired by the Contractor without written restrictions against disclosure from a third party which, to the Contractor's knowledge, is free to disclose the information; independently developed by the Contractor without the

use of the State's information; or, disclosed by the State to others without restrictions against disclosure.

- g. In performance of this Contract, the Contractor specifically agrees to comply with and assume responsibility for its employees' compliance with the following requirements regarding Federal tax information:
- 1) All work will be done under the supervision of the Contractor or the Contractor's employees.
  - 2) Any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this Contract. Information contained in such material will be treated as confidential and will not be divulged or made known in any manner to any person except as may be necessary in the performance of this Contract. Disclosure to anyone other than an officer or employee of the Contractor will be prohibited.
  - 3) All returns and return information will be accounted for upon receipt and properly stored before, during, and after processing. In addition, all related output will be given the same level of protection as required for the source material.
  - 4) The Contractor certifies that the data processed during the performance of this Contract will be completely purged from all data storage components of its computer facility, and no output will be retained by the Contractor at the time the work is completed. If immediate purging of all data storage components is not possible, the Contractor certifies that any IRS data remaining in any storage component will be safeguarded to prevent unauthorized disclosures.
  - 5) Any spoilage or any intermediate hard copy printout that may result during the processing of IRS data will be given to the State or its designee. When this is not possible, the Contractor will be responsible for the destruction of the spoilage or any intermediate hard copy printouts, and will provide the State or its designee with a statement containing the date of destruction, description of material destroyed, and the method used for destruction.
  - 6) All computer systems processing, storing, or transmitting Federal tax information must meet Department of Defense Trusted Computer System Evaluation Criteria (TCSEC) (DOD 5200.28-STD). To meet functional and assurance requirements, the operating security features of the system must have the following minimum requirements: a security policy, accountability, assurance, and documentation. All security features must be available and activated to protect against unauthorized use of and access to Federal tax information.
  - 7) No work involving Federal tax information furnished under this Contract will be subcontracted without prior written approval from the State.
  - 8) The Contractor will maintain a list of employees with authorized access to confidential information identified in this section. Such list will be provided to the State and, upon request, to the IRS reviewing office.
  - 9) The State will have the right to void the Contract if the Contractor fails to provide the safeguards described above.
- h. Criminal / Civil Sanctions: Each officer or employee of any person to whom returns or return information is or may be disclosed will be notified in writing by such person that returns or return information disclosed to such officer or employee can be used only for a purpose and to the extent authorized herein, and that further disclosure of any such returns or return information for a purpose or to an extent unauthorized herein constitutes a felony punishable upon conviction by a fine of as much as five thousand dollars (\$5,000.00) or imprisonment for as long as five (5) years, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized further disclosure of returns or return information may also result in an award of civil damages against the officer or employee in an amount not less than one thousand dollars (\$1,000.00) with respect to each instance of unauthorized disclosure. These penalties are prescribed by Internal Revenue Code (IRC) sections 7213 and 7431 and set forth at 26 CFR §301.6103(n)-1.

Each officer or employee of any person to whom returns or return information is or may be disclosed shall be notified in writing by such person that any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this Contract. Information contained in such material shall be treated as confidential and shall not be divulged or made known in

any manner to any person except as may be necessary in the performance of the Contract. Inspection by or disclosure to anyone without an official need to know constitutes a criminal misdemeanor punishable upon conviction by a fine of as much as one thousand dollars (\$1,000.00) or imprisonment for as long as one (1) year, or both, together with the costs of prosecution. Such person shall also notify each officer and employee that any such unauthorized inspection or disclosure of returns or return information may also result in an award of civil damages against the officer or employee in an amount equal to the sum of the greater of one thousand dollars (\$1,000.00) for each act of unauthorized inspection or disclosure with respect to which such defendant is found liable or the sum of the actual damages sustained by the plaintiff as a result of such unauthorized inspection or disclosure plus in the case of a willful inspection or disclosure which is the result of gross negligence, punitive damages, plus the costs of the action. These penalties are prescribed by IRC section 7213A and 7431.

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

- i. Inspection: The IRS and the State shall have the right to send its officers and employees into the offices, plants or other facilities of the Contractor for inspection of the facilities and operations provided for the performance of any work under this Contract. On the basis of such inspection, specific measures may be required in cases where the Contractor is found to be non-compliant with Contract safeguards.
  - j. The Contractor agrees that all personnel of the Contractor, and all personnel of subcontractors performing services under this Contract for the Contractor, authorized to handle Federal tax related information will sign, annually, an IRS Confidentiality Form, to be provided by the State, with the original signed forms to be maintained by the Contractor, along with a current list of its employees, and those of its subcontractors, performing services under this Contract. These IRS Confidentiality Forms, and the list of Contractor's employees and those of its subcontractors performing services under this Contract, shall be made available to the State and the IRS upon request. (Reference Attachment A-Breaches and Associated Liquidated Damages.)
  - k. It is expressly understood and agreed the obligations set forth in this section shall survive the termination of this Contract.
- E.20. Contract Services Transition. Upon termination of this Contract, for whatever reason (expiration or termination), the Contractor shall assist the State to ensure an orderly transfer of responsibility and/or continuity of those services required under the terms of the Contract to an organization designated by the State. (Reference Section A.29.)
- E.20.a. The Contractor shall deliver, FOB (free on board) destination, all records, documentation, reports, data, hard copy and electronic files, recommendations, etc., which were required to be produced under the terms of the Contract to the State and/or the State's designee promptly and with due diligence after receipt of the written request.
  - E.20.b. The Contractor shall discontinue providing the service or accepting new assignments under the terms of this Contract, on the date specified by the State, in order to insure the completion of such service prior to the termination of the Contract.
  - E.20.c. The Contractor shall, upon request of the State, facilitate an understanding of the child support enforcement program in the 30<sup>th</sup> Judicial District for any potential future Contractor.
- E.21. Public Exigency Service Provision Extension. At the option of the State, the Contractor agrees to continue services for the Department when the Department determines there is a public exigency that requires the contracted services to continue. Continuation of services pursuant to this subsection shall be in six (6) month increments and the total of all public exigency extensions shall not exceed twelve (12) months. Thirty (30) days notice shall be given by the Department before this option is exercised. The Contractor



**ATTACHMENT A  
BREACHES AND ASSOCIATED LIQUIDATED DAMAGES**

1	Failure to timely submit a corrective action plan addressing failure to meet one or more federally mandated performance standards outlined in A.7. or addressing deficiencies determined by the assessment and the technical assistance review. (Reference Sections A.8., A.9., A.62., and A.64.)	\$750.00	per calendar day that a corrective action plan is not received following the passage of the 60 days specified for the development of corrective action plan.
2	Failure to correct during the corrective action period, the cited deficiencies being addressed by the corrective action plan. (Reference Sections A.8., A.9., and A.65.)	\$500.00	per calendar day following lapse of the period approved for corrective action to accomplish the desired results has elapsed.
3	Failure to clarify and/or revise within fifteen (15) working days any Corrective Action Plan which the State determines to be unacceptable in addressing deficiencies. (Reference Section A.10. and A.63.)	\$500.00	per calendar day
4	Failure to ensure that office(s) are open and staffed on all days and times that the State is open and staffed. (Reference Section A.35.)	\$5,000.00	per incident
5	Failure to meet standards related to sufficiency of available incoming telephone lines. (Reference Section A.45.)	\$3,000.00	per incident per day
6	Failure to provide monthly project update report, no later than the end of the month following the month for which the reporting is done. (Reference Section A.48.)	\$500.00	per incident
7	<p>A) Failure to adhere to the provisions of Paragraph A.46.</p> <p>B) Failure to comply with the requirements for adherence to the interpretation and application of the Tennessee Child Support Guidelines (Reference Section A.46.a.);</p> <p>C) Failure to adhere to all orders of the Court of competent jurisdictions except when the order has not been finalized due to timely appeal (Reference Section A.46.b.);</p> <p>D) Failure of the Contractor to adhere to all final orders of an administrative hearing officer of the Department or appealing a final order of the Commissioner of Human Services (Reference Section A.46.c.);</p> <p>E) Failure to adhere to the interpretation of the effect of Rule 43 of the Tennessee Rules of Appellate Procedure relative to the finality and effectiveness of a judicial order (Reference Section A.46.d.)</p>	\$7,500.00	per incident
8	Failure to insure that all personnel of the Contractor and of any subcontractors authorized to handle Federal tax related information sign an IRS Confidentiality Form annually (Reference Section E.19.j.)	\$500.00	per person per required event

9	Failure to meet or exceed performance standards specified in Section A.7. (Reference Section A.7.)	An amount equal to two percent (2%) of the compensation paid to the Contractor during the contract year(s) in which the performance standards were not met.	per performance standard not attained, per contract year
10	Failure to provide written notice to the State a minimum of thirty (30) days in advance if unable to begin service delivery on July 1, 2009. (Reference Section A.1.)	\$1,000	per calendar day
11	Failure to begin service delivery on July 1, 2009. (Reference Section A.1.)	An amount equal to the cost incurred by the State to deliver the services from July 1, 2009 through the entire period of time the Contractor is unable to perform.	per incident

**ATTACHMENT B**

**ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE**

SUBJECT CONTRACT NUMBER:	
CONTRACTOR LEGAL ENTITY NAME:	
FEDERAL EMPLOYER IDENTIFICATION NUMBER: (or Social Security Number)	

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.

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**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.

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**PRINTED NAME AND TITLE OF SIGNATORY**

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**DATE OF ATTESTATION**

**ATTACHMENT C  
AUTHORIZED INDIVIDUALS**

**CONTRACTOR:**

**Frank J. Mirkow, Contracts Director**

**Al Wong, Vice President of Operations, Maximus, Inc.**

**STATE:**

**Virginia T. Lodge, Commissioner, Department of Human Services**

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

## Attachment D

## Shelby County Equipment List

Brand	Units	Type	Model
Dell	1	Desktop	Optiplex GX620
Dell	190	Desktop	Optiplex 745
Gateway	41	Desktop	E4300
Gateway	18	Notebook	M450E
Gateway	1	Notebook	M460ES
Hewlett Packard	8	Notebook	HP 6910p
Gateway	21	Port Replicator	RQ5 (Port Replicator)
Hewlett Packard	6	Port Replicator	RQ5 (Port Replicator)
IBM/Lexmark	36	All-In-One Printer (Print, Scan, Fax, Copy)	Lexmark X644e (All-in-One)
IBM/Lexmark	7	Printer	OPTRA T610
IBM/Lexmark	8	Printer	Lexmark T630N VE