

CONTRACT #4

RFS # NA

FA # NA

Edison # NA

Department of Transportation

VENDOR:

Cambridge Systematics, Inc.



**STATE OF TENNESSEE
DEPARTMENT OF TRANSPORTATION**

INFORMATION TECHNOLOGY DIVISION

SUITE 500, JAMES K. POLK BUILDING

505 DEADERICK STREET

NASHVILLE, TENNESSEE 37243-1402

(615) 741-0678

JOHN C. SCHROER
COMMISSIONER

BILL HASLAM
GOVERNOR

Memorandum

TO: Leni Chick
Fiscal Review Committee

FROM: Mark D. Patterson
Information Systems Manager 3

DATE: December 18, 2013

SUBJECT: Cambridge Five-Year Contract Requisition # 148694

The Tennessee Department of Transportation (TDOT) is requesting a five-year General Services commodities contract to continue license support and maintenance of the Tennessee Overweight Over-dimensional Permits System (TOOPS) application. The issuance of permits for larger vehicles aids in the management of overweight and over-dimensional vehicle traffic across the State's infrastructure, enhancing the ability to address public safety. In addition, TOOPS generates about 11 million dollars a year in revenue issuing permits.

The computerized permits issuance system (CPI) was first implemented by Cambridge Systematics, Inc. in 1997. It was later upgraded to the current TOOPS in use today. TDOT has invested approximately 3.5 million dollars in the development, enhancements, training and support since October, 1996.

Cambridge Systematics, Inc., the developer and product owner of the system, has unique knowledge of the State's business processes pertaining to permits and this contract specifically addresses the use of the TOOPS software licensing with vendor support and maintenance as needed to provide system upgrades compatible with other operating systems. In addition, Cambridge is able to analyze data, recommend enhancements and assist in the implementation of changes in order to meet the Department's business practices and reporting needs.

CC: Joe Kirk
Kimbark McDonough

Supplemental Documentation Required for
Fiscal Review Committee

*Contact Name:	Mark D. Patterson		*Contact Phone:	615-532-3010	
*Original Contract Number:	Requisition 40100-0000148694		*Original RFS Number:	Requisition 40100-0000148694	
Edison Contract Number: (if applicable)	N/A General Commodities contract pending final award		Edison RFS Number: (if applicable)	N/A	
*Original Contract Begin Date:	March 1, 2014		*Current End Date:	February 28, 2019	
Current Request Amendment Number: (if applicable)			N/A		
Proposed Amendment Effective Date: (if applicable)			N/A		
*Department Submitting:			Transportation		
*Division:			Information Technology		
*Date Submitted:					
*Submitted Within Sixty (60) days:			Yes		
<i>If not, explain:</i>					
*Contract Vendor Name:			Cambridge Systematics, Inc.		
*Current Maximum Liability:			\$1,114,900.00		
*Current Contract Allocation by Fiscal Year: (as Shown on Most Current Fully Executed Contract Summary Sheet)					
FY: 14	FY: 15	FY: 16	FY: 17	FY 18	FY
\$222,980.	\$222,980	\$222,980	\$222,980	\$222,980	\$
*Current Total Expenditures by Fiscal Year of Contract: (attach backup documentation from STARS or FDAS report)					
FY:	FY:	FY:	FY:	FY	FY
\$	\$	\$	\$	\$	\$
IF Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:					
IF surplus funds have been carried forward, please give the reasons and provide the authority for the carry forward provision:					
IF Contract Expenditures exceeded Contract Allocation, please give the reasons and explain how funding was acquired to pay the overage:					
*Contract Funding	State:	100%	Federal:		

Supplemental Documentation Required for
Fiscal Review Committee

Source/Amount:				
Interdepartmental:			Other:	
If "other" please define:				
Dates of All Previous Amendments or Revisions: <i>(if applicable)</i>		Brief Description of Actions in Previous Amendments or Revisions: <i>(if applicable)</i>		
Method of Original Award: <i>(if applicable)</i>		General Commodities Sourcing Event		
*What were the projected costs of the service for the entire term of the contract prior to contract award?		1,114,900.00		

Supplemental Documentation Required for Fiscal Review Committee

For all new non-competitive contracts and any contract amendment that changes Sections A or C.3. of the original or previously amended contract document, provide estimates based on information provided the Department by the vendor for determination of contract maximum liability. Add rows as necessary to provide all information requested.

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

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

Deliverable description:	FY:	FY:	FY:	FY:	FY:

Proposed savings to be realized per fiscal year by entering into this contract. If amendment to an existing contract, please indicate the proposed savings to be realized by the amendment. Add rows as necessary to define all potential savings per deliverable.

Deliverable description:	FY:	FY:	FY:	FY:	FY:

Comparison of cost per fiscal year of obtaining this service through the proposed contract or amendment vs. other options. List other options available (including other vendors), cost of other options, and source of information for comparison of other options (e.g. catalog, Web site). Add rows as necessary to indicate price differentials between contract deliverables.

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

Special Contract Request

This form should be utilized to facilitate contract and procurement requests that require the Chief Procurement Officer's prior approval and that of the Comptroller of the Treasury, as applicable.

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

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

APPROVED		APPROVED	
CHIEF PROCUREMENT OFFICER	DATE	COMPTROLLER OF THE TREASURY	DATE

Request Tracking # Requisition	40100-0000148694
1. Contracting Agency	Transportation
2. Type of Contract or Procurement Method	<input type="checkbox"/> No Cost <input type="checkbox"/> Revenue <input checked="" type="checkbox"/> Sole Source <input type="checkbox"/> Proprietary <input type="checkbox"/> Competitive Negotiation <input type="checkbox"/> Other _____
3. Requestor Contact Information	Mark D. Patterson, mark.d.patterson@tn.gov , Tel. 615-495-7548
4. Brief Goods or Services Caption	TOOPS Support and Maintenance
5. Description of the Goods or Services to be Acquired	Renewed support, replacing contract 33643. The application software is used for Tennessee's Overweight, Over-dimensional Permits System (TOOPS).
6. Proposed Contractor	Cambridge Systematics, Inc.
7. Name & Address of the Contractor's principal owner(s) - NOT required for a TN state education institution	Cambridge Systematics, Inc., 100 Cambridge Park Dr, Ste 400, Cambridge, MA 02140
8. Proposed Contract Period - with ALL options to extend exercised The proposed contract start date shall follow the approval date of this request.	60 months
9. Office for Information Resources Pre-Approval Endorsement Request - information technology (N/A to THDA)	<input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Attached

Request Tracking # Requisition	40100-0000148694
10. eHealth Pre-Approval Endorsement Request – health-related professional, pharmaceutical, laboratory, or imaging	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached
11. Human Resources Pre-Approval Endorsement Request – state employee training	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached
12. Are these goods or services currently available on a statewide contract? If YES, please explain why the current statewide contract is not being used for this procurement.	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES,
13. Maximum Contract Cost – with ALL options to extend exercised	\$ 1,114,900.00
14. Was there an initial government estimate? If so, what amount?	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES, \$
15. Cost Determination Used- How did agency arrive at the estimate of expected costs?	Current pricing of support and services multiplied by projected quantities over the 5 years contract period.
16. Explanation of Fair and Reasonable Price- Explain how agency determined that price is fair and reasonable	Based upon previous contracts
17. Documentation of Discussions with Contractor- How did agency document discussions with Contractor? Attach documentation to this request as applicable.	Vendor confirmed pricing and sole source by emails with attachments. Cambridge owns the source code for TOOPS.
18. Explanation of Need for or requirement placed on the State to acquire the goods or services	The Overweight Over-dimensional Permits System (TOOPS) is used for processing permits for travel on Tennessee's roadways. The TOOPS permit system ensures authorized and safe access to Tennessee's highways as well as provides a source of revenue for the State of Tennessee.
19. Proposed contract impact on current State operations	Since its initial deployment, TOOPS has handled over 413,382 permits, bringing in over \$38 million to the general fund.
20. Justification – Specifically explain why the goods or services should be acquired through the procurement method or contract type selected.	The support and service is repetitive in nature and has stable pricing.
For No Cost and Revenue Contracts Only	
21. What costs will the State incur as a result of this contract? If any, please explain.	The annual cost for support and maintenance of the TOOPS system is \$165,000. Added to that would be consultation service as deemed necessary as provided in the contract request.
22. What is the total estimated revenue that the State would receive as a result of this contract?	TDOT generates approximately 11 million dollars a year through the permits system.

Request Tracking # Requisition	40100-0000148694
23. Could the State also contract with other parties interested in entering substantially the same agreement? Please explain.	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES Cambridge owns the source code. Utilizing a different vendor would require implementing a new system as well as training all IT and end-user staff.
24. Summary of State responsibilities under proposed contract	IT staff will confirm all application upgrades to operating system with vendor. TDOT IT staff will be responsible for backups of the database and application.
For Sole Source and Proprietary Procurements Only	
25. Explanation of Need for or requirement placed on the State to acquire the goods or services	This is for continued use and support of TDOT's permit system.
26. Evidence of Contractor's experience & length of experience providing the goods or services to be procured.	Cambridge has been the vendor for the computerized permits issuing system, now upgraded to TOOPS since 1996.
27. Has the contracting agency procured the subject goods or services before? If yes, provide the method used to purchase the goods or services and the name and address of the contractor.	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES, Method: sole source contract ID 33643. The contract before it was # 10749. Name/Address: Cambridge Systematics, Inc., 100 Cambridge Park Dr, Ste 400, Cambridge, MA 02140
28. Contractor selection process and efforts to identify reasonable, competitive, procurement alternatives	Having worked with TDOT since 1996, Cambridge Systematics has a unique and irreplaceable knowledge of the State's business processes surrounding the issuance of permits. Access to such knowledge is critical to the State as it determines which additional features of TOOPS shall be utilized and how the State's business processes will be adjusted to properly leverage the features to the State's full benefit. TDOT must have the ability to respond to any legislative, executive or business driven mandates that may require executing functionality changed to the TOOPS system or its associated business functions.
Signature Required for all Special Contract Requests	

Request Tracking # Requisition

40100-0000148694

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

Signature:



Date:

12/18/13

John C. Schroer, Commissioner

TDOT IT Cambridge Maintenance/Support Contract

Cambridge Software Catalog (contract 33643)

- Contract established 9/15/2012
- Contract was multi-year (one year, 4 extensions, with the last renewal option expiring 9/14/2017)
- Central Procurement did not exercise the renewal option on the contract, so the contract expired 9/14/2013.
- The contract amount was \$1,114,900, with a remaining balance of \$867,400.
- Sole Source contract.
- The contract provides licenses and maintenance of Tennessee's Overweight Over-dimensional Permits System (TOOPS). This system has handled over 400,000 permits, bringing in over \$38 million to the general fund.
- TDOT has already paid maintenance/license fees through 3/15/14.

Current Status

- Contract has been loaded into Edison
- Sole Source documentation/Diversity, etc. has been received from Vendor
- Special Contract Request/OIR Pre-approval submitted
- Draft package to be delivered to TDOT Legal between 12/16/13 and 12/18/13.
- Brian Carroll will review the draft document – Brian & Mark discussed that terms/conditions/exceptions should not vary greatly since prior contract established 9/15/12.
- Joe Kirk to present this information to Joe Galbato.
- Goal is to have new 5-year contract in place on or before 3/15/14.
- TDOT IT has contingency options if necessary.



OIR Pre-Approval Endorsement Request E-Mail Transmittal

TO : Jane Chittenden, OIR Procurement & Contract Management Director
Department of Finance & Administration
E-mail : Jane.Chittenden@tn.gov

FROM : Mark D. Patterson
E-mail : Mark.D.Patterson@tn.gov

DATE : December 12, 2013

RE : Request for OIR Pre-Approval Endorsement

Applicable RFS # N/A Commodities requisition 148694
OIR Endorsement Signature & Date:
 12/16/13
Chief Information Officer
<i>NOTE: Proposed contract/grant support is applicable to the subject IT service technical merit.</i>

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

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

Contracting Agency	Transportation
Agency Contact (name, phone, e-mail)	Mark. D. Patterson, 615-632-3010, mark.d.patterson@tn.gov
Subject Procurement Document (mark one)	
<input type="checkbox"/> RFP	<input type="checkbox"/> Contract
<input type="checkbox"/> Competitive Negotiation Request	<input type="checkbox"/> Contract Amendment
<input type="checkbox"/> Alternative Procurement Method Request	<input type="checkbox"/> Grant
<input checked="" type="checkbox"/> Non-Competitive Contract Request	<input type="checkbox"/> Grant Amendment
<input type="checkbox"/> Non-Competitive Amendment Request	
Information Systems Plan (ISP) Project Applicability	
<input checked="" type="checkbox"/> Not Applicable to this Request	
<input type="checkbox"/> Applicable– ISP Project#	
Response Confirmed by IT Director/Staff (name):	

Applicable RFS # N/A **Commodities requisition 148694**

Required Attachments (as applicable – copies without signatures acceptable)

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

Subject Information Technology Service Description

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

TDOT is requesting a 5 year commodities contract to replace contract #33643 to provide ongoing support and maintenance of the Tennessee Overweight Over-dimensional Permits System (TOOPS). This system has been in place since 2009, replacing the previous computerized permits system implemented in 1996.



Requisition: Cambridge TOOPS 5-Yr contract

Requester: Chivonne Peeler Business Unit: 40100 Requisition ID: 0000148694 Date: 12/11/2013

Comments:

Line	Description	Qty	Price	Curr	UOM	Total
1	TOOPS System Maintenance & Technical Support for TDOT...	20	41250.000	USD	QI	825000.00
<u>Sched Line</u>	<u>Ship To</u>	<u>Attention</u>	<u>Due Date</u>	<u>Qty</u>	<u>Total</u>	
1	TDOT INFORMATION TECHNOLOGY	Chivonne Peeler		20	825000.00	
Line	Description	Qty	Price	Curr	UOM	Total
2	Principal Advisor Staff to TDOT Off-Site...	150	300.000	USD	HR	45000.00
<u>Sched Line</u>	<u>Ship To</u>	<u>Attention</u>	<u>Due Date</u>	<u>Qty</u>	<u>Total</u>	
1	TDOT INFORMATION TECHNOLOGY	Chivonne Peeler		150	45000.00	
Line	Description	Qty	Price	Curr	UOM	Total
3	Principal Advisor Staff to TDOT On-Site (3 Days)...	5	7950.000	USD	DA	39750.00
<u>Sched Line</u>	<u>Ship To</u>	<u>Attention</u>	<u>Due Date</u>	<u>Qty</u>	<u>Total</u>	
1	TDOT INFORMATION TECHNOLOGY	Chivonne Peeler		5	39750.00	
Line	Description	Qty	Price	Curr	UOM	Total
4	Senior Staff Consultation for TDOT Off-Site...	240	250.000	USD	HR	60000.00
<u>Sched Line</u>	<u>Ship To</u>	<u>Attention</u>	<u>Due Date</u>	<u>Qty</u>	<u>Total</u>	
1	TDOT INFORMATION TECHNOLOGY	Chivonne Peeler		240	60000.00	
Line	Description	Qty	Price	Curr	UOM	Total
5	Senior Staff Consultation for TDOT On-Site (3 Days)...	8	6900.000	USD	DA	55200.00
<u>Sched Line</u>	<u>Ship To</u>	<u>Attention</u>	<u>Due Date</u>	<u>Qty</u>	<u>Total</u>	
1	TDOT INFORMATION TECHNOLOGY	Chivonne Peeler		8	55200.00	
Line	Description	Qty	Price	Curr	UOM	Total
6	Junior Staff Consultation for TDOT Off-Site...	290	155.000	USD	DA	44950.00
<u>Sched Line</u>	<u>Ship To</u>	<u>Attention</u>	<u>Due Date</u>	<u>Qty</u>	<u>Total</u>	
1	TDOT INFORMATION TECHNOLOGY	Chivonne Peeler		290	44950.00	
Line	Description	Qty	Price	Curr	UOM	Total
7	Junior Staff Consultation for TDOT On-Site (3 Days)...	10	4500.000	USD	DA	45000.00
<u>Sched Line</u>	<u>Ship To</u>	<u>Attention</u>	<u>Due Date</u>	<u>Qty</u>	<u>Total</u>	
1	TDOT INFORMATION TECHNOLOGY	Chivonne Peeler		10	45000.00	

5 Year Total \$1,114,900.00

Tennessee Oversize/Overweight Permitting System (TOOPS) Maintenance and Support Specifications

A. Travel Expenses

The State will not reimburse vendor for travel, lodging or related expenses.

B. Summary of Key System Functionality to be maintained

High-Level System Navigation

User Authentication

User applies for a permit:

- User selects permit type
- User selects carrier (if user is not a carrier)
- User enters vehicle and load data
- User enters axle data
- User enters route information or selects envelope route

System Saves Application and Generates a Transaction ID:

- System screens application
- System adds relevant maps for envelope routes
- User submits permit
- System applies special provisions
- System advances permit status in review

User Approves Permit:

- System changes application to approved
- System deducts permit fee from escrow
- System changes application status to issued
- System generates permit and
- System displays permit link to user

User Rejects Permit:

- System changes application to rejected

Oversize Permit Review:

- User clicks "Review Application" link
- System reserves next application
- System renders permit according to permit type
- User optionally adds supplemental documentation
- User optionally adds a permit restriction
- User optionally adds a comment

- User makes a decision on the application or:
 - User places application in permit manager queue and
 - Permit manager conducts oversize permit review process

Overweight Permit Review:

- Above oversize review is performed by permit agent
- Bridge agent reserves application
- Bridge agent in coordination with system performs vehcalc analysis
- System stores analysis result
- Bridge agent places application in bridge manager queue
- Bridge manager reserves application
- Bridge manager reviews memo summarizing bridge analysis
- Bridge manager optionally views bridge analysis data
- Bridge manager optionally edits permit restrictions
- Bridge manager recommends application for approval or rejection and places application in permit manager queue
- Permit manager reserves application and
- Permit manager approves or rejects application

View/Print Permit:

- User searches for issue permits and
- User clicks link of permit, downloading and optionally printing permit PDF

System Support:

- Escrow management:
User logs check receipt and add funds to escrow account

Manage Map Data:

- Agent adds a series of maps to rout segment
- Agent adds a named map, where a name can be a city or a bridge identifier
- Agent displays a list of maps and
- Agent views/previews individual maps

Log Or Review Supporting Documentation:

- Agent receives mail with supporting documentation including coversheet with applicable permit ID
- Agent searches for application, reserves it and logs receipt of above documentation
- Agent optionally validates documentation is valid and
- System advances application status if all documentation has been received.

Manage Envelope Routes (List/Add/Edit/Delete)

Manage Fee Rules (List/Add/Edit/Delete)

Manage Route Restrictions (List/Add/Edit/Delete)

- System accepts route revisions via XML file format as well as via user interface

Manage Special Revisions (List/Add/Edit/Delete)

Manage System Configuration Data:

- System Displays all configuration data and applicable time periods
- User selects configuration to edit, edits value and effective time period
 - User confirms change and
 - System saves change

Manage Violation:

- User enters violation information and
- User resolves violation

User Override Fees For An Application

- User enters account information
- System validates identifying information and protects against duplicates
- System creates a company account application and
- TDOT employee reviews application

User Manages Company Profile:

- User edits a subset of company information

Archival:

- System exports expired permits to archival database

C. Maintenance Support for TOOPS

1. Vendor will provide the following set of support services:

- a. Emergency telephone-based technical support to Tennessee Department of Transportation (TDOT) staff on a 24/7 basis, for system failures that cannot be resolved by Tennessee DOT staff using previously published documentation on failure recovery and switching to a backup server.
- b. Telephone-based support for TDOT staff which use or administer TOOPS. Support shall be available during normal business hours – 8:00 to 4:30 P.M. Central Standard Time Central Time, excluding state holidays – via a toll-free support number, with a response time of eight hours from initial call to vendor.

Note: In the event of software failure, the vendor must continue to work on the reported issues until a solution satisfactory to the State and vendor is met.

- c. Remote monitoring of system usage and performance based upon the procedures currently in place.
- d. Provide up to two person-trips per quarter, lasting up to three days per trip, to perform routine on-site maintenance, conduct as-needed training, and hold meetings with key users and administrators of the system. Trips will be scheduled at mutually convenient times except during system failures and other emergencies.
- e. Provide maintenance releases of TOOPS on a periodic basis. Maintenance releases will be deployed (delivered) by the vendor to TDOT's test environment following current standards, and vendor will document processes for TDOT staff to move deployments to production and provide telephone support to the deployment process.
- f. Provide assistance with upgrades to Oracle database software, operating system software, and application server software. Significant upgrades to application server software and/or Oracle database software by TDOT will require a redeployment of the TOOPS application.

D. User Support for TOOPS

- 1. Telephone-based support for the TDOT staff during normal business hours – 8:00 to 4:30 P.M. Central Standard Time, excluding state holidays, with a response time of eight hours from initial call to vendor.
- 2. Issues that have generated telephone support requests by Tennessee DOT staff will be reviewed with the TDOT designated project manager on a periodic basis. During on-site visits (concurrent with maintenance activities), additional training will be provided as needed to mitigate the probability of repeat requests on the same topic.
- 3. Up to 32 hours per month of telephone-based technical support to Department's customer end users (e.g., carriers and permit services) of the permit system, including:
 - a. Potential irregular operations of the system;
 - b. Questions on system functionality (excluding installation and configuration); and
 - c. Questions about system documentation.
- 4. Up to twice per year, as part of an on-site visit concurrent with maintenance activities, awarded vendor will meet with TDOT customer end users selected

by TDOT management to discuss the users' experience with the TOOPS system and identify any support or maintenance issues to be addressed by the awarded vendor.

5. During on-site visits, awarded vendor will provide a two-hour training sessions for any TDOT staff that will be using TOOPS for the first time. Awarded vendor will also conduct follow-up telephone-based sessions with staff to answer any additional questions about their usage of TOOPS.
6. Awarded vendor is not required to train motor carrier and permit service customers.

E. State Support and Maintenance Responsibilities Agreement

The following agreements are made concerning the support and maintenance of the TOOPS permit system:

1. TDOT staff and the awarded vendor support staff will confirm any upgrades to the operating system before they are applied to the servers. TDOT staff will apply the agreed-upon operating system upgrades to the servers.
2. TDOT IT staff and the awarded vendor support staff will confirm any upgrades to the Oracle database and application server software before they are applied to the servers. TDOT staff will apply the agreed-upon database and application server software updates to the servers.
3. TDOT IT staff will be knowledgeable in the procedures outlined by the awarded vendor for failure recovery of the system, and will execute these procedures prior to contacting the awarded vendor for assistance with a system failure.
4. TDOT will be responsible for backups of the database and application, including switching of backup media, upgrade to backup and recovery software, testing recovery services, and performing restores when necessary.

December 5, 2013

Ms. Chivonne Peeler
Director of Information Technology
Tennessee Department of Transportation
James K. Polk Building
505 Deaderick Street
Nashville, TN 37243-0349

Re: Computerized Permit Issuance Software

Dear Ms. Peeler:

This letter certifies that Cambridge Systematics, Inc. owns the source code for the TDOT Computerized Permit Issuance Software ("Software"). As the owner of the Software, Cambridge Systematics is the sole provider of system support and maintenance for the Software, including, but not limited to, enhancements, new functionality to support legislative changes and software upgrades. If you have questions pertaining to the above, please contact me at (512) 691-8501.

Sincerely,

CAMBRIDGE SYSTEMATICS, INC.



James J. Brogan
Executive Vice President

JJB/kw/7926.044



Terms and Conditions

Event Number:

Standard Terms and Conditions

Instructions to Bidders:

1. Read the entire bid, including all terms and conditions and specifications.
2. If submitting the bid by mail: All bid prices must be typed or written in ink on the Line Details portion of the Invitation to Bid (ITB); any corrections, erasures or other forms of alteration to unit prices must be initialed by the bidder.
3. If submitting the bid by mail, the bid must be manually signed in ink; failure to do so will cause rejection of your bid. If submitting the bid on-line, your electronic signature constitutes having signed the bid.
4. Bid prices shall include delivery of all items F.O.B. destination or as otherwise specified.
5. Address all inquiries and correspondence to the Purchasing Agent indicated in the Invitation to Bid.
6. I (we) agree to strictly abide by all the statutes and terms contained in the rules of the Department of General Services, Central Procurement Office which are by reference made a part hereof, in addition to the Standard and Special Terms & Conditions, and Specifications embodied in this Invitation to Bid.
7. **IMPORTANT:** By submitting the bid, the Bidder certifies compliance with the above and further certifies that this bid is made without collusion or fraud.
8. State statutes require that all bidders be registered prior to the issuance of a contract or a purchase order. Vendors/Bidders can register online at the State of Tennessee Supplier Portal:
<https://supplier.edison.tennessee.gov>.
9. I (We) propose to furnish and deliver any and all of the supplies, services, and/or other commodities named in the Invitation to Bid, and for which I (we) have set prices in my (our) offering.
10. It is understood and agreed that this bid, when certified by authorized signature, shall constitute an offer, which when accepted in writing by the Department of General Services, Central Procurement Office, and subject to the terms and conditions of such acceptance, will constitute a valid binding contract between the State of Tennessee and the Vendor/Contractor (bidder) submitting such offering.
11. By my (our) written signature on this bid I (we) guarantee and certify that all items included in the bid meet or exceed any and all State specifications covering such items. I (We) further agree, if awarded a contract or purchase order as a result of this bid, to deliver such commodities, service or merchandise which meet or exceed the specifications.

12. It is understood and agreed that no contract may be assigned, sublet, or transferred without the written consent of the Central Procurement Office.

13. The inclusion in any bid of a limitation of remedies clause or a limitation of liabilities clause shall be cause for rejection except in bids for telecommunications and information technology goods and services. Pursuant to Tennessee Code Annotated 12-3-314(d), if a limitation of liability is included in the bid for telecommunications and information technology goods and services it can be for not less than two (2) times the value of the contract and it shall not apply to intentional torts, criminal acts, fraudulent conduct or acts or omissions that result in personal injuries or death. Provided, however, if the Chief Procurement Officer determines that it is necessary to protect the interests of the state, the Chief Procurement Officer may petition the Procurement Commission to approve contractor liability in excess of two (2) times the value of the contract. If the Commission agrees with the Chief Procurement Officer, it may approve such a higher liability amount.

14. All bidders have the right to inspect the bid file, prior to award, upon completion of the evaluation by the Central Procurement Office. Interested bidders should contact the Purchasing Agent following the bid opening date or once the file is open for the seven (7) day inspection period. A "File Open for Inspection" letter will be sent to all bidders detailing the bidder(s) recommended for award and the evaluated award amount(s). Upon request, a reasonable opportunity to inspect the bid file will be provided to the bidder. If there is no request to inspect the bid file by the end of the seven (7) day inspection period, the Purchasing Agent will proceed with the award.

15. Protest by Vendor: Pursuant to Tenn. Code Ann. § 4-56-103, any actual proposer may protest. Please refer to the Central Procurement Office's website to obtain a copy of the protest procedures and protest bond requirements or contact the sourcing analyst or category specialist at 615-741-1035. The website for the Central Procurement Office is as follows: www.tennessee.gov/generalserv/CPO

16. Bid Mailing Instructions: Each individual bid proposal must be returned in a separate envelope package or container and must be properly labeled on the outside referencing the applicable event number and the bid opening date. Bids should be mailed in a properly labeled sealed envelope to the following address:

Department of General Services, Central Procurement Office
Attn: Bidder Services
3rd Floor, William R Snodgrass, Tennessee Tower
312 Rosa L. Parks Avenue
Nashville, TN 37243-1102

17. Subject to paragraph 13, 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

18. Contracts are entered into solely for the convenience of the State of Tennessee. The vendor/contractor understands and agrees that the State of Tennessee, as a signatory party to a contract, is solely responsible

for its performance, and that the officers and employees of the Department of General Services, Central Procurement Office, act exclusively as agents of the State for the award, consummation, and administration of contracts and are not personally liable for any performance or nonperformance by the State.

19. A bid must be received in the Central Procurement Office on or before the date and hour designated for the bid opening or the bid will be rejected.

20. The Central Procurement Office may reject any or all bids. Action to reject all bids shall be taken only for unreasonably high prices, errors in the Invitation to Bid (ITB), cessation of need, unavailability of funds, or any other reason approved by the Procurement Commission. The Procurement Commission has authorized rejection of all bids for failure to secure adequate competition. If an ITB is to be re-advertised, all prior bids shall remain closed to inspection until the evaluation of the re-advertisement is complete.

21. All present and former employees or officials of the State are referred to Tennessee Code Annotated 12-4-103.

22. Any individuals with disabilities who wish to participate in public meetings such as a scheduled pre-bid conference or other scheduled function should contact the Central Procurement Office to discuss any auxiliary aids or services needed to facilitate such participation. Such contact may be in person, by writing, telephonically, or otherwise, and should be made no less than ten (10) days prior to the scheduled event, to allow time for the Central Procurement Office to provide such aid or service.

23. No person on the grounds of handicap or disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal and/or Tennessee State Constitutional and/or statutory law shall be excluded from participation in, or denied benefits of, or be otherwise subjected to discrimination in the performance of the Contract or in the employment practices of the vendor/contractor. The vendor/contractor shall, upon request, show proof of such non-discrimination, and shall post in conspicuous places, available to employees and applicants, notices of non-discrimination.

24. TAXES: Purchases of goods by the State of Tennessee are exempt from Tennessee sales and use tax pursuant to Tenn. Code Ann. 67-6-329(a) (4), and the state is generally exempt from Federal excise tax. Contractors are subject to Tennessee sales and use tax on all materials and supplies used in the performance of a contract, whether such materials and supplies are purchased by the contractor, produced by the contractor, or provided to the contractor by the State, pursuant to Tenn. Code Ann. 67-6-209. The contractor agrees to pay all taxes incurred in the performance of an awarded contract.

State agencies which procure products for the purpose of resale shall register with the Department of Revenue. Upon registration the agency will issue resale certificates to the successful contractor(s) for products procured for resale. The agency is responsible for the collection of the appropriate sales or use tax when the product is sold.

25. Exceptions to terms and conditions and/or those proposed by the bidder which may vary from the invitation to bid may render the bid unresponsive and subject the bid to rejection.

26. Unless otherwise stated, all goods called for by a purchase order must be tendered in a single delivery in compliance with the delivery time specified and payment is due only on such tender. Partial shipments and/or back orders will only be accepted with receiving agency's prior authorization.

27. All products, materials, supplies and equipment offered and furnished must be new, of current manufacturer production, and must have been formally announced by the manufacturer as being commercially available as of the date of the bid opening, unless otherwise stated in this event.

28. Manufacturers of chemical products which are the subject of purchase contracts for the State of Tennessee shall list and maintain a material safety data sheet (MSDS) for such chemical products on the national MSDS search repository or on the manufacturer's website so that such information can be accessed by means of the Internet. A site operated by or on behalf of the manufacturer or a relevant trade association

is acceptable so long as the information is freely accessible to the public. In lieu of posting a MSDS on MSDSSEARCH, a bidder shall include the manufacturer's universal resource locator (URL) for its MSDS in the event. For purposes of this MSDS requirement, the Department of General Services recognizes the following URL for national MSDS search repository:MSDS-SEARCH, which can be accessed on the internet at: <http://www.msdsearch.com>.

29. Conflict of Interest: The State may not consider a solicitation response from an individual who is, or within the past six (6) months has been, a state employee. For purposes of this solicitation, an individual shall be considered to be a "state employee" and prohibited from submitting a response to this solicitation for six (6) months after such time as all compensation for salary, termination pay, and annual leave has been paid to such state employee. A contract with or a solicitation response from a company, corporation, or any other contracting entity in which a controlling interest is held by a state employee shall be considered to be a contract with or a solicitation response from a state employee as though the state employee were submitting a response or entering a contract on his or her behalf. Notwithstanding the foregoing, a contract with or a solicitation response from a company, corporation, or any other contracting entity that employs an individual who does not own a controlling interest in such entity and who is, or within the past six months has been, a state employee shall not be considered a contract with or a solicitation response from a state employee and shall not constitute a prohibited conflict of interest.

30. 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 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, Section 9-8-101 through 9-8-407.

31. State and Federal Compliance: The contractor shall comply with all applicable state and federal laws and regulations in the performance of this contract.

32. Professional Licensure and Department of Revenue Registration: All persons, agencies, firms, or other entities that provide legal or financial opinions, which a Proposer provides for consideration and evaluation by the State as a part of a proposal in response to this solicitation, shall be properly licensed to render such opinions. Before the Contract resulting from this solicitation is signed, the apparent successful Proposer (and Proposer employees and subcontractors, as applicable) must hold all necessary, appropriate business and professional licenses to provide service as required. The State may require any Proposer to submit evidence of proper licensure. Before the Contract resulting from this solicitation is signed, the apparent successful Proposer must be registered with the Department of Revenue for the collection of Tennessee sales and use tax. The State shall not award a contract unless the Proposer provides proof of such registration. The foregoing is a mandatory requirement of an award of a contract pursuant to this solicitation.

33. Prohibition of Illegal Immigrants: The requirements of State of Tennessee's Public Acts, 2006, Chapter Number 878 and Executive Order 41 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.

As required by Public Acts, 2006, Chapter Number 878, no person may enter into a contract to supply goods or services to the State without first attesting in writing that the person will not knowingly utilize the services of Illegal Immigrants in the performance of this contract, and will not knowingly utilize the services of any subcontractor who will utilize the services of Illegal Immigrants in the performance of this contract. 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 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. The contractor hereby attests, certifies, warrants, and assures that it shall comply with this term and condition for the entire contract period.

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 year after a contractor is discovered to have knowingly used the services of illegal immigrants during the performance of this contract. The contractor may appeal the imposition of the one-year prohibition by utilizing an appeals process established by the Commissioner of Finance and Administration.

As per Executive Order 41, the contractor shall be required to submit semi-annual Attestation Forms and obtain a signed Attestation Form from any subcontractor prior to the use of the subcontractor and semi-annually thereafter during the contract period. The records shall be subject to review and random inspection at any reasonable time upon reasonable notice by the State. Records shall include but are not limited to the following:

Documentation on contractors' employees and subcontractor personnel working on this contract showing that they are legal to work in the United States and payroll records.

Signed and dated Attestation Forms for your company that have been submitted to the Central Procurement Office and Attestation Forms obtained from subcontractor(s).

Note: The contractor shall be required to obtain prior approval to subcontract from the Deputy Commissioner of General Services, Central Procurement Office.

By authorized signature on this Invitation to Bid the contractor constitutes signing the Attestation Form for the initial six (6) months of the contract period. The contractor shall be required to submit signed Attestation Forms on a semi-annual basis from the start date of the contract period through to its completion date to the Central Procurement Office. Such attestations shall be maintained by the contractor in a permanent file on the vendor premises and made available to State officials upon request. The State of Tennessee provides an "approved Attestation Form" to support the reaffirmation process. The form can be accessed and printed from the internet at http://tn.gov/generalserv/purchasing/for_bidders.html.

34. Modifications and Amendments: This Contract may be modified only by a written amendment signed by all parties hereto and approved by both the officials who approved the base contract and, depending upon the specifics of the contract as amended, any additional officials required by Tennessee laws and regulations (said officials may include, but are not limited to, the Chief Procurement Officer, the Commissioner of Human Resources, and the Comptroller of the Treasury).

Special Terms and Conditions

1. F.O.B. Destination (Agency Term Contract)

F.O.B. Point:
Tennessee Department of Transportation
505 Deaderick Street, Suite 500
Nashville, TN 37243

Agency Name: Tennessee Department of Transportation

Address:

505 Deaderick Street, Suite 500
Nashville, TN 37243

2. Term of Contract - Multi-Year

Total Number of Years: 5

Start Date: March 1, 2014 Final End Date: February 28, 2019

The anticipated effective (start) date and expiration (end) dates of the contract are shown above. If award has not been made by the anticipated effective date, then the contract shall become effective upon the date the bid is accepted and contract awarded by the State, as indicated by the purchasing agent's signature on the contract notice of award (note: the change of effective date may not result in a change of the anticipated expiration date.)

It is understood and agreed that the State reserves the right to extend the term contract period resulting from this solicitation an additional period of time, not to exceed 180 days beyond the normal expiration date of such contract, upon mutual written agreement by both parties, under the same terms and conditions. Provided, however, in no event shall the maximum term of a contract exceed a total of sixty (60) months.

3. Volume, Multi-Year

The total purchases of any individual item on the contract are not known. The Central Procurement Office has attempted to give an accurate estimate of probable purchases of each item from the current contract period and projected estimates for the new contract period. The Central Procurement Office does not guarantee that the state will buy any or all estimated amounts of any specified item or any total amount.

Purchases Current Contract Period \$

Dates: From To

Estimated Funding New Contract Period

1st 12 MONTHS \$222,980.00
2nd 12 MONTHS \$ 222,980.00
3rd 12 MONTHS \$ 222,980.00
4th 12 MONTHS \$ 222,980.00

5th 12 MONTHS\$ 222,980.00

The vendor/contractor will only be paid for products or services rendered hereunder pursuant to purchase order releases issued to vendor/contractor from the state. The vendor/contractor is not entitled to be paid the maximum liability for any one year under the contract or any extensions of the contract for product or service not requested by the state. Maximum liability represents available funds for payment to vendor/contractor and does not guarantee payment of any such funds to the vendor/contractor per year under this contract unless the state requests product or service and vendor/contractor provides said product or service. The state is under no obligation to request product or service from vendor/contractor in any specific dollar amounts per year under this contract and the state may not request any product or service at all from vendor/contractor during the contract period.

4. Bids Requested on Standard State Specifications for Products and/or Services

Unit price bids are requested on products or services that equal or exceed (unless specifications limit the dimensions or brand(s)/model(s) of products to be bid). The absence of detailed specifications or the omission of detail description shall be recognized as meaning that only the best commercial practices are to prevail and that only first quality materials and workmanship are to be used. All interpretations of specifications shall be made from this statement. It is understood that the specifications or references to available specifications shall be sufficient to make the terms of such specifications binding on the vendor/contractor. Bidders must submit for bid evaluation applicable cuts, sketches, descriptive literature, and technical specifications covering the product offered, when applicable. Reference to literature submitted previously will not satisfy this requirement.

Bids requested on architect/engineer/designer specifications, if applicable. Bids are requested per architect/ engineer/designer's specification attached. Bids are to be lump sum and/or unit prices as shown on the price sheet. Any errors or omissions in plans or specifications shall be resolved prior to submission of a bid. Submission of a bid shall constitute agreement and compliance with such specifications and plans. All shop drawings and product sheets required by specifications shall be submitted to architect/engineer/designer prior to fabrication and/or installation.

5. Bid Offer Expiration

Enter the expiration date of your bid offer in the space provided on this Invitation to Bid. A minimum period of thirty (30) days from the bid closing date is requested. The state shall have sixty (60) days to accept the bid if a minimum period is not stated.

6. Delivery Time (On-Time)

The contractor shall be required to maintain or to have available for their own use personnel, equipment, and products sufficient to perform "on-time" as specified in this Invitation to Bid.

7. Freight F.O.B. State Agency (In-House)

All quotations shall be F.O.B. destination. The term F.O.B. destination shall mean delivered and unloaded in-house or on-site service, with all charges for transportation and unloading prepaid by the vendor/contractor.

8. Firm Bid Price Period (Price Increase Allowed After Time Frame)

Prices quoted shall be firm for 365 days following the contract start date, except in the event an unexpected charge is imposed on the contractor holder by federal, state, county or city government entity during the term of the contract. The vendor/contractor may invoice the state for the imposed charge amount as long as it provides proof (invoice or statement, etc.) of the imposed charge to the user agency. The state shall also be advised of and receive the benefit of any price decrease in excess of five (5) percent automatically. The vendor/contractor holder must provide written price reduction information within ten (10) days of its effective date. Requests for price changes based on vendor/contractor's cost: Written requests for price changes based on vendor/contractor's actual cost for other than an imposed charge by federal, state, county, or city government entity after the firm

price period shall be submitted in writing to the Central Procurement Office. Any increase shall be based on the vendor's/contractor's actual cost increase, may not constitute additional profit as shown in written cost documentation and must contain data establishing or supporting the general or industry wide nature of the change. At the option of the state, (1) request may be granted, (2) the contract may be canceled and awarded to the next low bidder, (3) the contract may be canceled and the commodity/service be re-advertised for award, or (4) continue the contract without change. The Central Procurement Office will accept or reject all such written requests within forty-five (45) working days of the date of receipt of complete and verified documentation. Approval of Price Increases: If approved, the Central Procurement Office will modify the contract to reflect the approved price increase and issue the revised contract. The vendor/ contractor shall honor all purchase orders dated prior to the approved price increase acceptance date at the original contract price. Approval of any price increase renews the firm price period. Price Increase Rejection: When the state rejects a request for a price increase, the vendor/ contractor will be notified in writing of the state's intention. If the contract is to be canceled, the vendor/contractor shall be notified of the cancellation date via certified mail. The vendor/ contractor will be required to honor all purchase orders that were prepared and dated prior to the date of the cancellation, if received by the vendor/contractor within a thirty (30) days following the date of the cancellation.

9. Bidder's Qualification

Bidders must, upon request of the state, furnish satisfactory evidence of their ability to furnish products or services in accordance with the terms and conditions and specifications. The Assistant Commissioner, Department of General Services, Central Procurement Office, reserves the right to make the final determination as to a bidder's ability to perform.

10. Insurance Required

The successful bidder(s) shall procure and maintain for the duration of the contract, at their own cost and expense insurance against claims for injuries to persons or damages to property including contractual liability which, may arise in connection with the performance of the work performed by the contractor, his agents, representatives, employees or subcontractors under the contract.

The insurance carrier(s) must be licensed to conduct business in the State of Tennessee. The insurance will be evidenced by an original or .pdf format document certificate of insurance. The certificate shall list the State of Tennessee as the certificate holder and must list the company name and address on file with the State. Should any of the policy coverage(s) provided have a major change, expire, or be canceled before the expiration date the Contractor shall fax or email vendor.insurance@tn.gov, a copy of their insurer's cancellation notice within two (2) business days of receipt. The State of Tennessee shall be held harmless for any injuries, claims or judgments against the contractor.

Certificates for liability coverages shall name the State of Tennessee Central Procurement Office as an additional insured. The following Insurance Coverages are required:

Workers' Compensation Insurance: a certificate shall be provided which indicates the contractor provides workers' compensation coverage in compliance with the state laws of Tennessee., and Employer's Liability with the following limits:

E.L. Each Accident\$500,000
E.L. Disease- Each Employee\$500,000
E.L. Disease - Policy Limit\$500,000

General Liability and Property Damage Insurance: Comprehensive General Liability Insurance, including but not limited to, bodily injury, property damage, contractual liability, products liability, with combined single limits of \$500,000 per occurrence with a minimum aggregate of \$1,000,000.

The successful bidder(s) shall provide the Central Procurement Office with an original certificate of insurance or .pdf format document as proof of insurance coverage, as stated above, naming the State of

Tennessee, Central Procurement Office as additional insured, within ten (10) business days after request. If the certificate of insurance is in .pdf format, it must be received directly from the insurance company.

Upon award, failure to maintain insurance coverage for the duration of the contract period may result in cancellation of the contract. In the event that the insurance policy on file in the Central Procurement Office expires or is canceled, the contractor will be required to cease work until proof of insurance is presented.

11. Inspection/Facilities

The Central Procurement Office may inspect the facilities of any bidder or may require additional information regarding a bidder's ability to perform the proposed contract. Bids may be rejected for lack of apparent ability to perform the proposed contract.

12. Inspection of Materials, Equipment and Products

All materials, equipment, and products are subject to inspection and testing. Items that do not meet specifications will be rejected. Failure to reject upon receipt does not relieve the vendor/contractor of liability. When subsequent tests after receipt are conducted and when such tests reveal damage or failure to meet specifications, the state may seek damages regardless of whether a part or all of the merchandise has been consumed.

13. Bid Rejection

The Central Procurement Office reserves the right to reject any bid that contains prices for individual items or services that are inconsistent or unrealistic when compared to other prices in the same or other bids, if such action would be in the best interest of the state.

Errors: Each correction made by the bidder on the bid response must be initialed in ink by each correction. No corrections will be made in pencil. No bid or line item shall be altered or amended after the bid opening. In the case of errors in the extension price, the unit price will govern. Failure to comply with the above may be cause for rejection of part or the entire bid.

14. Single Award

A single contract for all line items will be awarded to the lowest responsive and responsible bidder whose bid meets the requirements and criteria set forth in the Invitation to Bid. Prices shall be calculated as follows: The bidders unit bid price shall be multiplied by the line item quantity to obtain the line item total. If more than one line item is included in the bid document, each line item total shall be added together for a total price for all line items bid. The bidder must bid all line items to be considered for an award.

15. Award Criteria

An award shall be made to the lowest responsive and responsible bidder considering the following:

- Ability to Perform
- Conformity to Specifications
- Lowest Composite Score

16. State Contract Administrator

Questions or problems arising from bid procedures or subsequent order and delivery procedures should be directed to:

State of Tennessee
Department of General Services, Central Procurement Office
3rd Floor, William R. Snodgrass, Tennessee Tower
312 Rosa L. Parks Avenue

Nashville, TN 37243-1102

Attn:

17. Purchase Order Releases (Agency Term Contract)

Orders for products or services that are included on agency term contracts shall be prepared by agencies on Departmental Purchase Release Orders and forwarded to the vendor/contractor. These purchase orders, when received by the vendor/contractor, serve as authorization for shipment of product(s) or start of service.

Billing Instructions:

The vendor/contractor shall invoice the state only after product has been received by the user agency or upon completion of the service described in the purchase order/contract, unless otherwise authorized in writing by the user agency and as required below prior to any payment.

The contractor shall submit an invoice, with all necessary supporting documentation, to the state agency billing address. Such invoice shall clearly and accurately detail the following required information:

1. Invoice/reference number; (assigned by the contractor);
2. Invoice date;
3. Contract and/or purchase order number; (assigned by the state);
4. Account name;
5. Procuring state agency and division name;
6. Account/customer number (uniquely assigned by the vendor/contractor);
7. To the above-referenced account name;
8. Contractor name;
9. Contractor Identification Number; (as referenced in the contract);
10. Contractor contact (name, phone, and/or fax for the person to contact with billing questions);
11. Contractor remittance address;
12. Description of delivered product(s) or service; and
13. Total amount due for delivered product(s) or service.

The contractor understands and agrees that the invoice shall;

- Include only charges for service described in contract or Purchase Order and in accordance with payment terms and conditions set forth in the contract or purchase order;
- Not include any future work but will only be submitted for completed service, unless otherwise authorized in writing by the user agency; and
- not include sales tax or shipping charges (unless otherwise stipulated in the contract or purchase order).

Payment: The contractor agrees that timeframe for payment (and any discounts) begins when the state is in receipt of a correct invoice meeting the minimum requirements above. It shall be the responsibility of the "bill to" agency to make payment in accordance with the Prompt Payment Act of 1985. Any questions concerning payment should be addressed to the "bill to" agency and not to the Central Procurement Office.

18. Negotiations

The State may elect to negotiate by requesting revised Cost Proposals from apparently responsive and responsible respondents. However, the State reserves the right to award a contract on the basis of initial responses received. Therefore, each response should contain the respondent's best terms from a price and technical standpoint. The State reserves the right to conduct multiple negotiation rounds. If the State exercises its right to enter into negotiations, it may identify areas of a response that may require further clarification or areas in which it is apparent that there may have been

miscommunications or misunderstandings as to the State's specifications and/or requirements. The State may seek to clarify those identified issues during negotiations. All responsive respondents will be given equivalent information with respect to cost negotiations. All cost negotiations will be documented for the procurement file. Additionally, the State may conduct target pricing and other price or service level negotiations. Target pricing may be based on considerations such as current pricing, market considerations, benchmarks, budget availability, or other method that does not reveal individual respondent pricing. During target price negotiations respondents are not obligated to meet or beat target prices, but will not be allowed to increase prices. All communications, clarifications and negotiations shall be conducted in a manner that supports fairness in response improvement. Note that each clarification sought by the State may be unique to an individual respondent.

19. Contract Cancellation

Termination for Convenience: The State may terminate this contract without cause. Said termination shall not be deemed a breach of contract by the State. The State shall give the vendor/contractor at least ninety (90) days written notice before the effective cancellation date.

The vendor/contractor shall be entitled to receive compensation for product(s) shipped or services satisfactorily completed as of the cancellation date, but in no event shall the state be liable to the vendor/contractor for compensation for any product(s) or services which have not been rendered.

Upon such termination, the vendor/contractor shall have no right to any actual general, special, incidental, consequential, or any other claims whatsoever of any description or amount.

Termination for Cause: If the vendor/contractor fails to fulfill its obligations under this contract in a timely or proper manner, or if the vendor/contractor violates any terms of this contract, the State shall have the right to immediately terminate the contract upon written notice of intent to cancel. The State shall have the right to withhold payment 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.

At the end of any fiscal year any contract may be canceled by the state without notice, in the event that funds to support the contract become unavailable.

The vendor/contractor will be required to honor all purchase orders that were prepared and dated prior to the date of the termination, if received by the vendor/contractor within a period of thirty (30) days following the date of cancellation.

20. Subcontracting: Responsibilities and Liabilities, Bond Required if Subcontracting

Based on Tennessee Code Annotated 12-4-201, the vendor/contractor shall not enter into any subcontract for services, prior to or following award, without the written consent of the Central Procurement Office. It is also understood and agreed that no contract may be assigned, sublet, or transferred without the written consent of the Central Procurement Office. The awarded vendor/contractor is responsible for work, service, performance, injuries of employees and payment to the subcontractor.

The subcontractor shall be required to register with Central Procurement Office and provide proof of insurance in accordance with the insurance term and condition, if insurance is required.

All anticipated or actual costs incurred for subcontracting must be included in the bid price per line item. The vendor/contractor can only invoice for actual bid prices per line item; regardless of how much it has agreed to pay the subcontractor.

The successful bidder(s) will be required to furnish a Labor and Material Surety Bond issued by a surety company licensed to do business in the State of Tennessee in the amount of twenty-five (25) %

of the total contract amount. The Labor and Material Surety Bond shall be issued by a surety company licensed to do business in the State of Tennessee or an Irrevocable Letter of Credit from a state or national bank or state or federal savings and loan association having its principal office in Tennessee; or any state or national bank or state or federal savings and loan association that has its principal office outside this state and that maintains one (1) or more branches in this state which are authorized to accept federally insured deposits may be accepted by the Central Procurement Office in lieu of a performance bond. The terms and conditions of any letter of credit shall be subject to the approval of the public official named in the contract. The form of such letter of credit shall be provided by the bank or savings and loan association and may be based on either the uniform commercial code, Tennessee Code Annotated, Title 47, Chapter 5, or the ICC Uniform Customs and Practice for Documentary Credits (UPC 500). All letters of credit shall be accompanied by an authorization of the contractor to deliver retained funds to the bank issuing the letter.

The Labor and Material Surety Bond or Irrevocable Letter of Credit shall be furnished to the Central Procurement Office within ten (10) business days after the request. The Labor and Material Surety Bond or Irrevocable Letter of Credit will insure that the contractor will pay for all labor and materials used by the contractor, or any immediate or remote subcontractor under the contractor, in such contract, in lawful money of the United States.

In the event that the Bidder does not indicate that they would be subcontracting and therefore no bond was received, the state reserves the right to request a Labor and Material Surety Bond from the vendor/contractor in the event that a subcontractor submits a claim against the vendor/contractor's surety bond to the Central Procurement Office due to non-payment. If requested, the vendor/contractor will be required to submit a Labor and Material Surety Bond in the amount specified in the request letter within ten (10) business days.

21. Service Contracts: Conflict 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.

22. Clean-up

Clean up shall be the responsibility of vendor/contractor. The vendor/contractor shall ensure that the work area is clean of nails, debris, etc. at the end of each day to ensure safety. The vendor/contractor will clean up and haul away all debris when the work is completed.

23. Damages

If state property is damaged, stolen or lost as a result of vendor/contractor employees' negligence and that property has to be repaired or replaced by the state, the expense for such work or replacement will be deducted from the monies due the contractor. In addition to the foregoing, the State reserves the right to pursue claims for damages through any and all legal remedies available to the State.

24. Security of Protected Health Information Guidelines, HIPAA1

Security of protected information

(a) All employees, agents, and other affiliates of contractors under this contract shall protect the security of information identified to them as Protected Health Information (PHI).

Contractor's managing agents who are notified by the state about the presence of PHI in facilities covered by this contract will transmit such notice to all employees, agents, and other affiliates of the contractor allowed access to such facilities during the course of this contract.

(b) All individuals covered by section (a) shall not read, examine, remove, or otherwise interfere with PHI; they shall not allow access to PHI, or disclose the contents of PHI, to any other person. All

individuals with knowledge of an unauthorized disclosure of PHI shall notify either an appropriate state official or a manager of the contractor with responsibility for notifying the appropriate state official.

25. On-Site Inspection

All bidders should visit the site to take exact measurements and examine the premises to become familiar with any problems or unusual circumstances which might exist. No allowances will be made by the State for errors in quotations due to any bidder not visiting the site prior to submitting their bid. Bidders shall be responsible for their own measurements.

26. Proof of Cost for Parts, Materials, Supplies and Equipment

All parts, materials, supplies and equipment will be billed at vendor/contractor's cost, minus any applicable sales or use tax pursuant to Tennessee Code Annotated, Section 67-6-209, plus fifteen percent (+15%). Reference Standard Term & Condition titled "Taxes".

The vendor shall submit as backup documentation a copy of the original purchase invoice(s) as proof of cost for parts, materials, supplies and equipment. This backup documentation must accompany the invoice in order for the agency to process payment. If the vendor/contractor cannot produce a copy of the original purchase invoice as proof of cost, the state may verify current market value and if necessary, adjust the invoice to reflect fair market price.

Discounts, including prompt payment discount offered by suppliers, must be credited to the state in determining the actual cost of the parts, materials, supplies and equipment used for this contract.

Estimated dollar volume for parts, materials, supplies and equipment based upon last fiscal year usage

\$

**STATE OF TENNESSEE
DEPARTMENT OF GENERAL SERVICES
CENTRAL PROCUREMENT OFFICE**

INVITATION TO BID

The following shall be completed by the bidder. The following is a list of acceptable responses:

1. The bidder can copy the document to their computer, fill out the form and re-attach it to the bid.
2. The bidder can attach or send its company's diversity business policies with the bid.
3. The bidder can attach or send responses to the Good Faith Efforts, Diversity Business Participation, and the Diversity Utilization Plan with the bid.

EFFORTS TO ACHIEVE DIVERSITY BUSINESS ENTERPRISE PARTICIPATION

The Governor, in an effort to expand economic opportunities for small businesses and businesses owned by minorities and women in Tennessee, issued Executive Order Number 14 on December 8, 2003, which created the Governor's Office of Diversity Business Enterprise (Go-DBE). In 2004, to further facilitate the State's efforts to promote greater participation by minority owned, woman owned and small businesses in its procurement and contracting opportunities, the General Assembly passed legislation amending Tennessee Code Annotated 12-3-801 through 808 establishing the "Tennessee Minority Owned, Woman Owned and Small Business Procurement and Contracting Act." July 1, 2010 Public Chapter No. 1140 became effective by amending Title 12, Chapter 3, and Part 8 relative to include service-disabled veteran owned businesses. To coordinate this effort, Go-DBE and the Department of General Services' Central Procurement Office have implemented the following procedure:

The vendor or prime contractor should contact appropriate sources within its geographic area to identify qualified minority owned, woman owned, service-disabled veteran owned and small businesses for this purpose. If needed, the Governor's Office of Diversity Business Enterprise can provide a list of minority owned, woman owned, service-disabled veteran owned and small businesses who provide an array of services or a vendor may advertise in a newspaper with one or more wide-circulation publications to enhance the solicitation of proposals from minority owned, woman owned, service-disabled veteran owned and small businesses.

To assist you in your effort to seek and solicit the participation of minority owned, women owned, service-disabled veteran owned or small businesses on this solicitation, a directory of certified Diversity Business Enterprise firms may be found on the State's website at: <http://www.tn.gov/businessopp/regdivcomp.html> : or by calling the Governor's Office of Diversity Business Enterprise toll free at 866-894-5026. If you are currently utilizing a minority owned, women owned, service-disabled veteran owned or small business that is not listed in the State's directory, please provide its company name, address and telephone number in the space provided. We will assist them in registering with the Governor's Office of Diversity Business Enterprise.

Please complete the attached form and include all pertinent documentation regarding your company's efforts to achieve diversity business participation. This information must be submitted with the bid document and monthly thereafter until a reasonable level of diversity business participation is achieved.

GOOD FAITH EFFORTS

GOOD FAITH EFFORTS UNDERTAKEN BUT NOT LIMITED TO THE FOLLOWING ACTIONS (PROVIDE SPECIFIC DOCUMENTATION FOR EACH EFFORT CHECKED)

- 1) ___ Contacted diversity businesses that reasonably could have been expected to submit a quote and that were known to the contractor or available on the Go-DBE Directory. (Provide a list of minority, women, service-disabled veteran owned and small businesses who were contacted. Indicate whether the diversity business responded or followed up to your solicitation request.)
- 2) ___ Make the specifications and requirements of this procurement available for review by prospective diversity businesses at least ten (10) days before the bid or proposals are due.
- 3) ___ If possible, breaking down or combining elements of work into economically feasible units to facilitate diversity business participation.
- 4) ___ Work with minority, women, service-disabled veteran owned, and small business trades, community organizations, or minority, women, service-disabled veteran owned or small business organizations identified by Go-DBE to obtain diversity businesses participation, whenever possible.
- 5) ___ If possible, provide assistance in getting required bonding or insurance or providing alternatives to bonding or insurance for diversity business subcontractors.
- 6) ___ Negotiate in good faith, with interested diversity businesses, and not reject them as unqualified without sound reasons based on lack of qualification, and document in writing the reasons for exclusion.
- 7) ___ If possible, provide assistance to an otherwise qualified diversity business in need of equipment, loan capital, lines of credit, or joint pay agreements to secure loans, supplies, or letters of credit, including waiving credit that is ordinarily required. Assist diversity businesses in obtaining the same unit pricing with the bidder's suppliers, in order to help diversity businesses establish credit.
- 8) ___ If possible, negotiate joint venture and partnership arrangements with diversity businesses in order to increase opportunities for diversity business participation on this procurement.
- 9) ___ If possible, provide quick pay agreements, and policies to enable diversity businesses and suppliers to meet cash-flow demands.
- 10) ___ Other effort. (Please provide details of efforts made to obtain diversity participation on the procurement).

DIVERSITY BUSINESS PARTICIPATION:

In order to achieve Diversity Business participation, certified **MINORITY-OWNED, WOMEN-OWNED, SERVICE-DISABLED VETERAN OWNED, AND SMALL-OWNED BUSINESSES** are expected to participate in the following manner.

<p align="center">MBE/WBE/ SDVBE/SBE Firm</p>	<p align="center">Description of Work (MBE/WBE/ SDVBE, SBE)</p>	<p align="center">Projected Contract Amount and Award Date</p>	<p align="center">Contract Schedule Start Date</p>	<p align="center">Contract Payment Schedule</p>	<p align="center">Project Completion Date</p>
<p>Name:</p> <p>Address:</p> <p>City:</p> <p>State/Zip Code:</p> <p>Phone:</p> <p>E-mail:</p>					
<p>Name:</p> <p>Address:</p> <p>City:</p> <p>State/Zip Code:</p> <p>Phone:</p> <p>E-mail:</p>					

DIVERSITY UTILIZATION PLAN

CONSULTANT/CONTRACTOR DETAILED MBE/WBE/SDVBE/SBE PLAN

Business/Company/Vendor Name:		
Event/Contract Number:		Award Date:
Address:	City:	State: Zip Code:
Event/Contract Description: (Brief Description of Project)		
Business/Company/Vendor Contact Name:		Phone: E-Mail:

PROJECTED MBE/WBE/SDVBE/SBE BID SUMMARY

	%	Amount		Amount
1. Total Dollar Value of the Contract	100%	\$		
2. MBE Projected Goal Applied to the Contract	____%	\$	6. Total MBE Dollar Amount Met	\$
3. WBE Projected Goal Applied to the Contract	____%	\$	7. Total WBE Dollar Amount Met	\$
4. SDVBE Projected Goal Applied to the Contract	____%	\$	8. Total SDVBE Dollar Amount Met	\$
5. MBE/WBE/SDVBE Combined Projected Goals	____%	\$	9. Combined Total MBE/WBE/SDVBE Dollar Amount Met	\$

Go-DBE PROGRAM USE ONLY

		Date Approved	Date Disapproved	Initials
MBE (%)	Minorities (%)			
WBE (%)	Female (%)			
SDVBE (%)	Service-disabled veteran (%)			