

**CONTRACT #12**  
**RFS # 344.01-99063**  
**Edison # Pending**

**Intellectual and Developmental  
Disabilities**

**VENDOR:**  
**Microsoft Corporation**

**TO:** Mark White, Chairman  
Krista Lee, Executive Director  
Fiscal Review Committee Members

**ATTENTION:** Leni Chick  
Fiscal Review Committee

**FROM:** Lance D. Iverson, Deputy Commissioner   
Department of Intellectual and Developmental Disabilities (DIDD)

**DATE:** April 6, 2016

**SUBJECT:** Microsoft Corporation Contract – Titan Project

The Department of Intellectual and Developmental Disabilities (DIDD) requests approval of a sole source contract with Microsoft Consulting Services for implementation of a new functionality in DIDD's information system called Titan.

The proposed contract will provide DIDD with resources for consultation, development, and implementation of the remaining portions of DIDD's Titan business solution. The solution is to be built on Microsoft's Dynamics CRM platform, and will consist of both a Service Planning and Protection from Harm module integrated with the existing Intake and Waitlist module.

DIDD requires a technology partner with advanced product knowledge of Microsoft Dynamics CRM and the integrated companion suite of tools that comprise the Titan solution, which includes Microsoft SharePoint and Microsoft Active Directory Federated Services (ADFS). Because these are all Microsoft products, DIDD believes that the manufacturer of these tools is best situated to provide DIDD with the level of expert product knowledge required.

DIDD has previously attempted to work with a certified Microsoft partner obtained through a competitive bid process. The vendor was unable to meet DIDD's requirements without extensive customization of the CRM solution. In order to design the solution, DIDD requires more advanced product knowledge, which only Microsoft can provide.

The proposed contract and Special Contract Request is enclosed along with a completed "Supplemental Documentation Required for Fiscal Review Committee" form, and pre-approved STS Endorsement Request.

To the best of our knowledge, no other reasonable competitive procurement alternatives exist.

LDI:RN:oj

Supplemental Documentation Required for  
Fiscal Review Committee

*Contact Name:	Salwa Suror	*Contact Phone:	615-770-6823
*Presenter's name(s):	Lance Iverson, Heather Gundersen, Russell Nicoll		
Edison Contract Number: <i>(if applicable)</i>	To Be Determined	RFS Number: <i>(if applicable)</i>	34401-99063
*Original or Proposed Contract Begin Date:	6/6/2016	*Current or Proposed End Date:	6/5/2018
Current Request Amendment Number: <i>(if applicable)</i>	N/A		
Proposed Amendment Effective Date: <i>(if applicable)</i>	N/A		
*Department Submitting:	DIDD		
*Division:	Administration		
*Date Submitted:	4/6/16		
*Submitted Within Sixty (60) days:	yes		
<i>If not, explain:</i>			
*Contract Vendor Name:	Microsoft Corporation		
*Current or Proposed Maximum Liability:	\$4,561,016		
*Estimated Total Spend for Commodities:	0		
<b>*Current or Proposed Contract Allocation by Fiscal Year:</b> <i>(as Shown on Most Current Fully Executed Contract Summary Sheet)</i>			
FY: 2017	FY:	FY:	FY:
\$ 4,561,016.00	\$	\$	\$
<b>*Current Total Expenditures by Fiscal Year of Contract:</b> <i>(attach backup documentation from Edison)</i>			
FY: 2017	FY:	FY:	FY:
\$ 4,561,016.00	\$	\$	\$
<b>IF</b> Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:	N/A		
<b>IF</b> surplus funds have been carried forward, please give the reasons and provide the authority for the carry forward provision:	N/A		
<b>IF</b> Contract Expenditures exceeded Contract Allocation, please give the reasons and explain how funding was acquired to pay the overage:	N/A		

Supplemental Documentation Required for  
Fiscal Review Committee

<b>*Contract Funding Source/Amount:</b>			
State:	0	Federal:	0
<i>Interdepartmental:</i>	\$4,561,016	<i>Other:</i>	0
If "other" please define:			
If "interdepartmental" please define:		From TNCare as appropriate in Section 48 Item 3 (a) at SB2653 / HB2629 of appropriation Act	
Dates of All Previous Amendments or Revisions: <i>(if applicable)</i>		Brief Description of Actions in Previous Amendments or Revisions: <i>(if applicable)</i>	
N/A		N/A	
Method of Original Award: <i>(if applicable)</i>		N/A	
*What were the projected costs of the service for the entire term of the contract prior to contract award? How was this cost determined?		\$ 4,561,016.00 Cost estimates were provided by the vendor, following a lengthy engagement , and were based on the number and type of resources , using contracted rates established by Microsoft for these resources.	
*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.		To the best of our knowledge, no other reasonable competitive procurement alternatives exist.  DIDD requires a technology partner with advanced product knowledge of Microsoft Dynamics CRM and the integrated companion suite of tools that comprise the Titan solution.  Since these are all Microsoft products, then the manufacturer of these tools is best situated to provide DIDD with the level of expert product knowledge required.	



# STS Pre-Approval Endorsement Request E-Mail Transmittal

**TO :** IT-ABC  
Department of Finance & Administration  
E-mail : [IT.ABC@tn.gov](mailto:IT.ABC@tn.gov)

**FROM :** Russell Nicoll  
E-mail : [Russell.Nicoll@tn.gov](mailto:Russell.Nicoll@tn.gov)

**DATE :** 2/23/2016

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

**Applicable RFS # 34401-99063**

**STS Endorsement Signature & Date:**

**Chief Information Officer**

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

Strategic Technology Solutions (STS) pre-approval endorsement is required pursuant to procurement regulations pertaining to contracts with information technology as a component of the scope of service. This request seeks to ensure that STS is aware of and has an opportunity to review the procurement detailed below and in the attached document(s). This requirement applies to any procurement method regardless of dollar amount.

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

<b>Contracting Agency</b>	<b>DIDD</b>
<b>Agency Contact</b> (name, phone, e-mail)	<b>Russell Nicoll, 615-741-6632</b> <b>Russell.Nicoll@tn.gov</b>
<b>Attachments Supporting Request</b> (mark all applicable)	
Note: The complete draft procurement document and the applicable documents listed below must accompany this request when submitted to STS. Special Contract Requests and Amendment Requests without Agency Head signature are acceptable. STS is aware that these documents will not have CPO signature when submitted with this request.	
<input type="checkbox"/> Solicitation Document <input checked="" type="checkbox"/> Special Contract Request <input type="checkbox"/> Amendment Request <input checked="" type="checkbox"/> Proposed Contract/Grant or Amendment <input type="checkbox"/> Original Contract/Grant and Previous Amendments (if any)	

**Applicable RFS # 34401-99063**

**Information Systems Plan (ISP) Project Applicability**

To avoid delay of STS pre-approval, the applicability of an ISP project to the procurement must be confirmed with agency IT staff prior to submitting this request to STS. If necessary, agency IT staff should contact STS Planning with questions concerning the need for an ISP project.

IT Director/Staff Name Confirming (required): Russell Nicoll, IS Director

Applicable – Approved ISP Project# DD011201

Not Applicable

**Subject Information Technology Service Description**

Provide a brief summary of the information technology services involved. Clearly identify included technologies such as system development/maintenance, security, networking, *etc.* As applicable, identify the contract or solicitation sections related to the IT services.

**This request is for sole source procurement of Microsoft Consulting Services for the development and implementation the remaining portions of DIDD's Project Titan business solution. The solution is to be built on Microsoft's Dynamics CRM platform, and will consist of both a Service Planning and Protection from Harm module integrated with the existing Intake and Waitlist module.**

**This engagement with Microsoft would take 15 months, at a cost of approximately \$4,561,016.00. The details of this agreement can be found in the attached statement of work and associated Work Order.**

# Rule Exception Request

Use this document to request changes to Central Procurement Office templates, policies, or other procurement documents or to modify the “necessary contract clauses” identified in Tenn. Comp. R. & Reg. 0690-03-01-.17 (“CPO Rule 17”). Complete this document in conformity with CPO Rule 17, which is available [here](#). Send the completed document in PDF format to: [Agsprs.Agsprs@tn.gov](mailto:Agsprs.Agsprs@tn.gov) All Rule Exception Requests are subject to review and approval by the Chief Procurement Officer. Rule Exception Requests that propose to modify any of CPO Rule 17’s necessary contract clauses shall be subject to review and approval by the Comptroller of the Treasury.

<b>APPROVED</b>
<hr/> CHIEF PROCUREMENT OFFICER

<b>APPROVED</b>
<hr/> COMPTROLLER OF THE TREASURY

<b>Agency request tracking #</b>	34401-99063
<b>1. Procuring Agency</b>	Department of Intellectual and Developmental Disabilities
<b>2. Edison contract ID #</b>	TBD
<b>3. Contractor or Grantee</b>	Microsoft Corporation
<b>4. Contract’s Effective Date</b>	6/6/2016
<b>5. Contract or grant contract’s Term (with ALL options to extend exercised)</b>	24 months
<b>6. Contract’s Maximum Liability (with ALL options to extend exercised)</b>	\$ 4,561,016.00
<b>7. Citation and explanation of the rule(s) for which the exception is requested</b>	The following sections of the Microsoft Consultation, Development and Implementation Services for DIDD project Titan has been negotiated between Microsoft Legal and the CPO. See the Microsoft Rule Exception Detailed attachment.
<b>8. Description of requested changes</b> If adding new provisions or modifying existing provisions, insert the new or modified provisions in their entirety.	<b>0690-03-01 - .17 NECESSARY OR PROHIBITED CLAUSES AND RULE EXCEPTIONS.</b> The purpose of this rule is to prescribe the necessary and prohibited contract clauses for contracts subject to these rules. The form and the content of all contract clauses shall be established by Central Procurement Office Policy. This Rule shall also prescribe a procedure for approving exceptions or modifications to contract clauses prescribed or prohibited by this Rule or central procurement Office Policy
<b>9. Justification</b>	The Microsoft Consultation, Development and Implementation services for DIDD project Titan is sole source. The contractor shall provide consultation services along with support assistance in the development and implementation of DIDD project Titan business solution. The solution is to be built on Microsoft’s Dynamics CRM platform, and will consist of both a Service planning and protection from Harm module integrated with the existing

	<p>intake and Worklist module that is currently in DIDD's production environment</p> <p>It is necessary for the State to accept these terms as negotiated by the CPO in order for DIDD to acquire the requested professional services from Microsoft.</p>
<p><b>Signature of Agency head or designee and date</b></p>	

**Microsoft Rule Exceptions Detailed**  
**For Microsoft Consultation, Development and Implementation Services for DIDD Project TITAN**

The Central Procurement Legal Office and Microsoft Legal have negotiated the sections below and finalized all sections in the Microsoft Consultation, Development and Implementation Services for DIDD Project TITAN Contract.

**Microsoft Consultation, Development and *Implementation* Services for DIDD Project TITAN Contract**

**1. Section A.5, Warranty**

**State's proposed Final negotiated language:** Reserved – Agreed to use MSA language MSA Section 8. Warranties, (Edison Contract #U6270911)

**2. Section A.6, Inspection and Acceptance**

**State's proposed Final negotiated language:**

Inspection and Acceptance. The process for inspection and acceptance by the State shall be as specified in individual work order(s) or statement of work, based on the professional services provided by Contractor.

**3. Section D.4, Subject to Funds Availability**

**State's proposed Final negotiated language:**

Subject to Funds Availability. The Contract is subject to the appropriation and availability of State or federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate this Contract upon written notice to the Contractor. The State's exercise of its right to terminate this Contract shall not constitute a breach of Contract by the State. Upon receipt of the written notice, the Contractor shall cease all work associated with the Contract. If the State terminates this Contract due to lack of funds availability, the Contractor shall be entitled to compensation for all conforming goods requested and accepted by the State and for all satisfactory and authorized services completed as of the termination date. Should the State exercise its right to terminate this Contract due to unavailability of funds, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages of any description or amount related to such termination for unavailability of funds.

**4. Article D.6, Termination for Cause**

**State's proposed Final negotiated language:**

Termination for Cause. If the Contractor fails to properly perform its obligations under this Contract, or if the Contractor materially violates any terms of this Contract ("Breach Condition"), the State shall provide written notice to Contractor specifying the Breach Condition. If within thirty (30) days of notice, the Contractor has not cured the Breach Condition, the State may terminate the Contract and withhold payments in excess of compensation for completed services or provided goods. 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 and the State may seek other remedies allowed at law or in equity for breach of this Contract. Remedies limited by liability language in the contract.

**5. Article D.17, Limitation of State's Liability**

**State's proposed Final negotiated language:**

Limitation of State's Liability. The State shall have no liability except as specifically provided in this Agreement. In no event will the State be liable to the Microsoft or any other party for any lost revenues, lost profits, loss of business, decrease in the value of any securities or cash position, time, money,

## Microsoft Rule Exceptions Detailed

### For Microsoft Consultation, Development and Implementation Services for DIDD Project TITAN

goodwill, or any indirect, special, incidental, punitive, exemplary or consequential damages of any nature, whether based on warranty, contract, statute, regulation, tort (including but not limited to negligence), or any other legal theory that may arise under this Agreement or otherwise. The State's total liability under this Agreement (including any exhibits, schedules, amendments or other attachments to the Agreement) or otherwise shall under no circumstances exceed the Estimated Liability. This limitation of liability is cumulative and not per incident.

#### 6. Article D.18, Limitation of Contractor's Liability

##### State's proposed Final negotiated language:

##### Limitation of Contractor's Liability.

a. In accordance with Tenn. Code Ann. § 12-3-701, Microsoft's liability for all claims arising under this Agreement shall be limited to an amount equal to two (2) times the Estimated Liability amount and as may be amended, PROVIDED THAT in no event shall this Section limit the liability of Microsoft for intentional torts (i.e., willful misconduct), criminal acts, fraudulent conduct, or for gross negligence or willful misconduct that result in personal injuries or death to the extent caused by Microsoft or its agents and awarded by a court of final adjudication (or settlement to which we consent). This limitation of liability is in the aggregate and cumulative and not per incident.

b. **Estimated Liability.** For the purposes of this Section 18, Limitations of Liability, Estimated Liability shall be direct damages up to the amount the State has paid under the applicable Work Order for the Service giving rise the claim(s). In the event services or any service deliverables are provided to the State on a no-cost basis, Microsoft's total liability to the State will not exceed US \$5,000.

c. These limitations apply regardless of whether the asserted liability is based on breach of contract, tort (including negligence), strict liability, breach of warranties, or any other legal theory.

d. **Affiliates and Contractors.** Neither Microsoft nor Institution shall bring any action against the other's Affiliates or Contractors in respect of any matter disclaimed on their behalf in this Agreement. Each party will be responsible for the other's costs and damages in the event of any breach of this provision.

e. **EXCLUSION OF CERTAIN DAMAGES.** Neither party nor their Affiliates or contractors will be liable for any indirect, consequential, special or incidental damages, or damages for lost profits, revenues, business interruption, or loss of business information in connection with this Agreement, even if advised of the possibility of such damages or if such possibility was reasonably foreseeable.

f. The limits and exclusions in this Section 18 do not apply to (1) either party's obligations under the Section 9 "Defense of infringement, misappropriation, and third party claims" of the MSA, or (2) either party's liability for violation of its confidentiality obligations (except obligations related to Customer Data) or the other party's intellectual property rights.

#### 7. Article D.19, Hold Harmless

State's proposed Final negotiated language: Reserved – Agreed to use MSA language Section 9, Defense of infringement and misappropriation claim, (Edison Contract #U6270911)

#### 8. Article D.24, Force Majeure

State's proposed Final negotiated language: Reserved - Agreed to use MSA language Section 14, Miscellaneous, Part h, (Edison Contract #U6270911)

## Microsoft Rule Exceptions Detailed

### For Microsoft Consultation, Development and Implementation Services for DIDD Project TITAN

#### 9. Article D.26, Governing Law

**State's proposed Final negotiated language:** Reserved - Agreed to use MSA language Section 14, Miscellaneous, Part c, (Edison Contract #U6270911)

#### 10. Article D.30, Incorporation of Additional Documents

**State's proposed Final negotiated language:**

Incorporation of Additional Documents. Each of the following documents is included as a part of this Contract by reference. In the event of a discrepancy or ambiguity regarding the Contractor's duties, responsibilities, and performance under this Contract, these items shall govern in order of precedence below:

- a. the contract terms and conditions;
- b. Appendix 1, Microsoft Master Services Agreement U6270911;
- c. Appendix 2, Microsoft Work Order and Statement of Work

#### 11. Article D.32, Insurance, section (b)

**State's proposed Final negotiated language:**

Insurance. The Contractor shall carry adequate liability and other appropriate forms of insurance.

- a. The Contractor shall maintain, at minimum, the following insurance coverage:
  - (1) Workers' Compensation/ Employers' Liability (including all states coverage) with a limit not less than the relevant statutory amount or one million dollars (\$1,000,000) per occurrence for employers' liability whichever is greater.
  - (2) Comprehensive Commercial General Liability (including personal injury & property damage, premises/operations, independent contractor, contractual liability and completed operations/products) with a bodily injury/property damage combined single limit not less than one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) aggregate.
  - (3) Automobile Coverage (including owned, leased, hired, and non-owned vehicles) with a bodily injury/property damage combined single limit not less than one million dollars (\$1,000,000) per occurrence.
  - (4) Errors and Omission Coverage with a limit of not less than one million dollars (\$1,000,000) per claim and two million dollars (\$2,000,000) aggregate.
- b. The Contractor shall provide a valid Certificate or Evidence of Insurance. Failure to provide required evidence of insurance coverage shall be a material breach of this Contract.

# 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.

<p><b>APPROVED</b></p> <p style="font-size: 24pt; font-weight: bold;">Michael F. Perry -AK</p> <p style="font-size: 8pt;">Digitally signed by Michael F. Perry -AK DN: cn=Michael F. Perry -AK, o=CPO, ou=CPO, email=andy.kidd@tn.gov, c=US Date: 2016.04.15 11:48:02 -05'00'</p>	<p><b>APPROVED</b></p> <p style="font-size: 24pt; font-weight: bold;"><i>Justin J. Wilson</i></p> <p style="font-size: 12pt;">4/18/2016</p>
CHIEF PROCUREMENT OFFICER	DATE
COMPTROLLER OF THE TREASURY	DATE

<b>Request Tracking #</b>	<b>34401-99063</b>
<b>1. Contracting Agency</b>	<b>DIDD</b>
<b>2. Type of Contract or Procurement Method</b>	<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 _____
<b>3. Requestor Contact Information</b>	Lance Iverson Deputy Commissioner State of Tennessee Department of Intellectual & Developmental Disabilities Citizens Plaza, 9 <sup>th</sup> Floor 400 Deaderick St. Nashville, TN 37243 Phone: (615) 532-6710 Fax: (615) 391-9841 email: <a href="mailto:Lance.D.Iverson@tn.gov">Lance.D.Iverson@tn.gov</a>
<b>4. Brief Goods or Services Caption</b>	This request is for sole source procurement of Microsoft for providing consultation along with support assistance in the development and implementation services for DIDD's Project Titan business solution. The solution is to be built on Microsoft's Dynamics CRM platform, and will assist of both a Service Planning and Protection from Harm module integrated with the existing intake
<b>5. Description of the Goods or Services to be Acquired</b>	Microsoft will provide development and consulting resources needed to perform the work described in the attached Statement of Work.

Request Tracking #	34401-99063
6. Proposed Contractor	Microsoft Consultation Development and Implementation Services
7. Name & Address of the Contractor's principal owner(s) – NOT required for a TN state education institution	Jeff Lewis – Central Region Sales Director US Public Sector Services   State & Local Government - Education  (303) 546-1329 (work)   (785) 338-0722 (mobile)   <a href="mailto:jeff.lewis@microsoft.com">jeff.lewis@microsoft.com</a>
8. Proposed Contract Period – with ALL options to extend exercised The proposed contract start date shall follow the approval date of this request.	24 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
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	\$ 4,561.016.00
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?	Cost estimates were provided by the vendor and were based on the number and type of resources, using contracted rates established by Microsoft for these resources.
16. Explanation of Fair and Reasonable Price- Explain how agency determined that price is fair and reasonable	The contracted rates in this statement of work reflect accurately the published rate schedule for State-wide contracts for Microsoft Services.
17. Documentation of Discussions with Contractor- How did agency document discussions with Contractor? Attach documentation to this request as applicable.	Communication with the Contractor was through email, teleconference, and face-to-face meetings.

<b>Request Tracking #</b>	<b>34401-99063</b>
<p><b>18. Explanation of Need for or requirement placed on the State to acquire the goods or services</b></p>	<p>DIDD needs technology solutions that provide users with accurate and timely information in order to improve customer service, increase operational efficiency and fiscal accountability, and to allow for more data-driven decision making while increasing its service population.</p> <p>DIDD initiated Project Titan in order to address these business issues and replace its existing computer information system, and has selected a suite of tools centered around Microsoft Dynamics CRM as the framework upon which its new computer applications are being built.</p> <p>Microsoft will provide consultation services along with support assistance in the development and implementation of DIDD's project Titan business solution. The solution is to be built on Microsoft's Dynamics CRM platform and will consist of both a services planning and Protection from Harm module integrated with the existing intake and Worklist module that is currently in DIDD's production environment.</p> <p>In order to complete the remaining functionality of the Titan solution, DIDD requires a technology partner with advanced product knowledge of Microsoft Dynamics CRM and the integrated companion suite of tools that comprise the Titan solution.</p>
<p><b>19. Proposed contract impact on current State operations</b></p>	<p>None</p>

<b>Request Tracking #</b>	<b>34401-99063</b>
<b>20. Justification –</b> Specifically explain why the goods or services should be acquired through the procurement method or contract type selected.	<p><b>DIDD requires a technology partner with advanced product knowledge of Microsoft Dynamics CRM and the integrated companion suite of tools that comprise the Titan solution, which includes Microsoft SharePoint and Microsoft Active Directory Federated Services (ADFS).</b></p> <p><b>Since these are all Microsoft products, then the manufacturer of these tools is best situated to provide DIDD with the level of expert product knowledge required.</b></p> <p><b>Microsoft will provide consultation services along with support assistance in the development and implementation of DIDD's project Titan business solution. The solution is to be built on Microsoft's Dynamics CRM platform and will consist of both a services planning and Protection from Harm module Integrated with the existing intake and Worklist module that is currently in DIDD's production environment.</b></p>
<b>For No Cost and Revenue Contracts Only</b>	
<b>21. What costs will the State incur as a result of this contract? If any, please explain.</b>	
<b>22. What is the total estimated revenue that the State would receive as a result of this contract?</b>	
<b>23. Could the State also contract with other parties interested in entering substantially the same agreement? Please explain.</b>	<input type="checkbox"/> NO <input type="checkbox"/> YES
<b>24. Summary of State responsibilities under proposed contract</b>	
<b>For Sole Source and Proprietary Procurements Only</b>	

Request Tracking #	34401-99063
<p>25. Explanation of Need for or requirement placed on the State to acquire the goods or services</p>	<p>DIDD needs technology solutions that provide users with accurate and timely information in order to improve customer service, increase operational efficiency and fiscal accountability, and to allow for more data-driven decision making while increasing its service population.</p> <p>DIDD initiated Project Titan in order to address these business issues and replace its existing computer information system, and has selected a suite of tools centered around Microsoft Dynamics CRM as the framework upon which its new computer applications are being built.</p> <p>Microsoft will provide consultation services along with support assistance in the development and implementation of DIDD's project Titan business solution. The solution is to be built on Microsoft's Dynamics CRM platform and will consist of both a services planning and Protection from Harm module integrated with the existing intake and Worklist module that is currently in DIDD's production environment.</p> <p>In order to complete the remaining functionality of the Titan solution, DIDD requires a technology partner with advanced product knowledge of Microsoft Dynamics CRM and the integrated companion suite of tools that comprise the Titan solution.</p> <p>This advanced product knowledge is necessary to convert DIDD's detailed business process requirements into an optimized solution design with considerations for supportability, availability, reliability and scalability to support current and future business needs.</p>
<p>26. Evidence of Contractor's experience &amp; length of experience providing the goods or services to be procured.</p>	<p>Microsoft is the owner and sole proprietor of the Microsoft Dynamics CRM, which is the software used by DIDD for the Titan project.</p>
<p>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.</p>	<p><input type="checkbox"/> NO      <input checked="" type="checkbox"/> YES,  Method: Sole Source  Name/Address: Microsoft Corporation</p>

<b>Request Tracking #</b>	<b>34401-99063</b>
<b>28. Contractor selection process and efforts to identify reasonable, competitive, procurement alternatives</b>	<p>To the best of our knowledge, no other reasonable competitive procurement alternatives exist.</p> <p>DIDD requires a technology partner with advanced product knowledge of Microsoft Dynamics CRM and the integrated companion suite of tools that comprise the Titan solution.</p> <p>Since these are all Microsoft products, then the manufacturer of these tools is best situated to provide DIDD with the level of expert product knowledge required.</p>
<b>Signature Required for all Special Contract Requests</b>	
<p><b>Signature of Agency head or authorized designee, title of signatory, and date (the authorized designee may sign his or her own name if indicated on the Signature Certification and Authorization document)</b></p>    <p>Signature: <i>Debra K Payne</i> Date: <i>2-26-16</i></p>	



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

**TO :** IT-ABC  
Department of Finance & Administration  
E-mail : [IT.ABC@tn.gov](mailto:IT.ABC@tn.gov)

**FROM :** Russell Nicoll  
E-mail : [Russell.Nicoll@tn.gov](mailto:Russell.Nicoll@tn.gov)

**DATE :** 2/23/2016

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

**Applicable RFS # 34401-99063**

**STS Endorsement Signature & Date:**

Mark F. Bengel (by William Hafley,  
authorized by Jamie M. Etheridge,  
Deputy CIO

Digitally signed by Mark F. Bengel (by William Hafley, authorized by Jamie M. Etheridge, Deputy CIO  
DN: cn=Mark F. Bengel (by William Hafley, authorized by Jamie M. Etheridge, Deputy CIO, o=TN Department of Finance and Administration, ou=Strategic Technology Solutions, email=william.hafley@tn.gov, c=US  
Date: 2016.03.17 18:07:59 -05'00'

**Chief Information Officer**

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

Strategic Technology Solutions (STS) pre-approval endorsement is required pursuant to procurement regulations pertaining to contracts with information technology as a component of the scope of service. This request seeks to ensure that STS is aware of and has an opportunity to review the procurement detailed below and in the attached document(s). This requirement applies to any procurement method regardless of dollar amount.

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

<b>Contracting Agency</b>	<b>DIDD</b>
<b>Agency Contact</b> (name, phone, e-mail)	<b>Russell Nicoll, 615-741-6632</b> <b><a href="mailto:Russell.Nicoll@tn.gov">Russell.Nicoll@tn.gov</a></b>
<p><b>Attachments Supporting Request</b> (mark all applicable)</p> <p>Note: The complete draft procurement document and the applicable documents listed below must accompany this request when submitted to STS. Special Contract Requests and Amendment Requests without Agency Head signature are acceptable. STS is aware that these documents will not have CPO signature when submitted with this request.</p> <p> <input type="checkbox"/> Solicitation Document  <input checked="" type="checkbox"/> Special Contract Request  <input type="checkbox"/> Amendment Request  <input checked="" type="checkbox"/> Proposed Contract/Grant or Amendment  <input type="checkbox"/> Original Contract/Grant and Previous Amendments (if any) </p>	

**Applicable RFS # 34401-99063**

**Information Systems Plan (ISP) Project Applicability**

To avoid delay of STS pre-approval, the applicability of an ISP project to the procurement must be confirmed with agency IT staff prior to submitting this request to STS. If necessary, agency IT staff should contact STS Planning with questions concerning the need for an ISP project.

IT Director/Staff Name Confirming (required): Russell Nicoll, IS Director

Applicable – Approved ISP Project# DD011201

Not Applicable

**Subject Information Technology Service Description**

Provide a brief summary of the information technology services involved. Clearly identify included technologies such as system development/maintenance, security, networking, etc. As applicable, identify the contract or solicitation sections related to the IT services.

**This request is for sole source procurement of Microsoft Consulting Services for the development and implementation the remaining portions of DIDD's Project Titan business solution. The solution is to be built on Microsoft's Dynamics CRM platform, and will consist of both a Service Planning and Protection from Harm module integrated with the existing Intake and Waitlist module.**

**This engagement with Microsoft would take 15 months, at a cost of approximately \$4,561,016.00. The details of this agreement can be found in the attached statement of work and associated Work Order.**

**TO:** Director of Sourcing  
Staff Attorney - Sourcing

**FROM:** Robert Maurer, Sourcing Account Specialist

**DATE:** March 11, 2016

**SUBJECT:** Recommendation of Special Contract Request 34401-99063

Department of Intellectual and Developmental Disabilities (DIDD) is requesting a sole-source, one-time purchase from Microsoft Corp. for consultation and software development, as well as support, for Project Titan. The solution is to be built on Microsoft's Dynamics CRM platform and will consist of both a services planning module and Protection from Harm module, integrated with the existing intake and Worklist module that is currently in DIDD's production environment.

Since these are all Microsoft products, the manufacturer is best situated to provide DIDD with the level of expert product knowledge required. I, Robert Maurer, recommend approval of this sole source request.

**Andy  
T. Kidd**

Digitally signed by Andy T. Kidd  
DN: cn=Andy T. Kidd, o=CPO,  
ou=CPO - Sourcing,  
email=andy.kidd@tn.gov, c=US  
Date: 2016.04.15 11:47:29 -05'00'

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Director of Sourcing

Date

**Kevin C. Bartels**

Digitally signed by Kevin C. Bartels  
DN: cn=Kevin C. Bartels, o,  
ou=CPO Legal, email=Kevin.C.Bartels@tn.gov,  
c=US  
Date: 2016.04.14 10:55:58 -05'00'

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Staff Attorney – Sourcing

Date



# CONTRACT

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

<b>Begin Date</b> 6/6/16	<b>End Date</b> 6/5/18	<b>Agency Tracking #</b> 34401-99063	<b>Edison Record ID</b>
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<b>Contractor Legal Entity Name</b> Microsoft Corporation	<b>Edison Vendor ID</b> 70430
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**Goods or Services Caption** (one line only)  
Consultation, Development and Implementation Services for DIDD Titan Project

<b>Contractor</b> <input checked="" type="checkbox"/> Contractor	<b>CFDA #</b>
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<b>Funding —</b>					
<b>FY</b>	<b>State</b>	<b>Federal</b>	<b>Interdepartmental</b>	<b>Other</b>	<b>TOTAL Contract Amount</b>
2017			\$4,561,016.00		\$4,561,016.00
<b>TOTAL:</b>			<b>\$4,561,016.00</b>		<b>\$4,561,016.00</b>

**Contractor Ownership Characteristics:**

Minority Business Enterprise (MBE): African American, Asian American, Hispanic American, Native American

Woman Business Enterprise (WBE)

Tennessee Service Disabled Veteran Enterprise (SDVBE)

Tennessee Small Business Enterprise (SBE): \$10,000,000.00 averaged over a three (3) year period or employs no more than ninety-nine (99) employees.

Other: Not Minority/Disadvantaged

**Selection Method & Process Summary** (mark the correct response to confirm the associated summary)

Competitive Selection

Other Sole Source Contract

**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.

Melinda Lanza 253-3166

<b>Speed Chart</b> (optional)	<b>Account Code</b> (optional)
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**CONTRACT  
BETWEEN THE STATE OF TENNESSEE,  
DEPARTMENT OF INTELLECTUAL AND DEVELOPMENTAL DISABILITIES  
AND  
MICROSOFT CORPORATION**

This Contract, by and between the State of Tennessee, Department of Intellectual and Developmental Disabilities ("State" or "DIDD") and Microsoft Corporation ("Contractor"), is for the provision of Consultation, Development, and Implementation Services, as further defined in the "SCOPE." State and Contractor may be referred to individually as a "Party" or collectively as the "Parties" to this Contract.

The Contractor is a For-Profit Corporation,  
Contractor Place of Incorporation or Organization: WA  
Contractor Edison Registration ID # 70430

**A. SCOPE:**

- A.1. The Contractor shall provide all goods or services and deliverables as required, described, and detailed below and shall meet all service and delivery timelines as specified by this Contract.
- A.2. The Contractor shall provide consultation services along with support assistance in the development and implementation of DIDD's project Titan business solution. The solution is to be built on Microsoft's Dynamics CRM platform, and will consist of both a Services Planning and Protection from Harm module integrated with the existing intake and Worklist module that is currently in DIDD's production environment; as documented in Appendix 2, Design Documentation
- A.3. DIDD shall comply with Appendix 1, Microsoft Master Services Agreement Number U6270911 between the State of Tennessee Department of General Services and Microsoft Licensing, GP, which defines established terms of the relationship between the State of Tennessee and the Contractor prior to the beginning date of this Contract.
- A.4. Parties to this Contract mutually agree to Appendix 2 of this Contract, Microsoft Consulting Services Work Order, which details:
  - a. Services,
  - b. Fees,
  - c. Staffing Impact,
  - d. Cost or Pricing Data, and
  - e. Attachments 1 - 4 to the Microsoft Consulting Services Work Order that details:
    1. Exhibit A, "TITAN Development – Enrollment, Service Planning, and Protection from Harm", and dated February 17, 2016.
    2. Exhibit B, "Functional Specifications Document", published October 19, 2015, updated December 16, 2015
    3. Exhibit C, "Technical Design Document", published November 13, 2015, updated December 17, 2015
    4. Exhibit D, "Systems Integration Document", published November 13, 2015, updated December 14, 2015
- A.5. Reserved
- A.6. Inspection and Acceptance. The process for inspection and acceptance by the State shall be as specified in individual work order(s) or statement of work, based on the professional services provided by Contractor.

**B. TERM OF CONTRACT:**

This Contract shall be effective on June 6, 2016 (“Effective Date”) and extend for a period of twenty-four (24) months after the Effective Date (“Term”). The State shall have no obligation for goods or services provided by the Contractor prior to the Effective Date.

**C. PAYMENT TERMS AND CONDITIONS:**

- C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed four million, five hundred sixty one thousands, sixteen dollars and no cents (\$4,561,016.00) (“Maximum Liability”). This Contract does not grant the Contractor any exclusive rights. The State does not guarantee that it will buy any minimum quantity of goods or services under this Contract. Subject to the terms and conditions of this Contract, the Contractor will only be paid for goods or services provided under this Contract after a purchase order is issued to Contractor by the State or as otherwise specified by this Contract.
- C.2. Compensation Firm. The payment methodology in Section C.3. of this Contract shall constitute the entire compensation due the Contractor for all goods or services provided under this Contract regardless of the difficulty, materials or equipment required. The payment methodology includes all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Contractor.
- C.3. Payment Methodology. The Contractor shall be compensated based on the payment methodology for goods or services authorized by the State in a total amount as set forth in Section C.1.
  - a. The Contractor’s compensation shall be contingent upon the satisfactory provision of goods or services as set forth in Section A.
  - b. The Contractor shall be compensated based upon the following payment methodology:

<b>Services Milestone Event</b>	<b>Milestone Completion Estimated Dates</b>	<b>Percentage</b>	<b>Fixed Fee</b>
Dev Phase 2 – UAT Complete	July 22, 2016	20.17	\$ 920,000.00
Dev Phase 3 – UAT Complete	October 14, 2016	21.27	\$ 970,000.00
Dev Phase 4 – UAT Complete	December 9, 2016	15.78	\$ 720,000.00
Dev Phase 5 – UAT Complete	January 27, 2017	13.7	\$ 625,000.00
Dev Phase 6 – UAT Complete	March 31, 2017	13.7	\$ 625,000.00
Dev Phase 7 – UAT Complete	May 19, 2017	15.38	\$ 701,778.00
<b>TOTAL FIXED PRICE</b>		<b>100</b>	<b>\$ 4,561,016.00</b>

- C.4. Travel Compensation. The Contractor shall not be compensated or reimbursed for travel time, travel expenses, meals, or lodging.
- C.5. Invoice Requirements. The Contractor shall invoice the State only for goods delivered and accepted by the State or services satisfactorily provided at the amounts stipulated in Section C.3., above. Contractor shall submit invoices and necessary supporting documentation, no more frequently than once a month, and no later than thirty (30) days after goods or services have been provided to the following address:

DIDD Accounts Payable  
Suite 900, Citizen’s Plaza Building  
400 Deaderick Street

P.O. Box 949  
Nashville, TN 37243

- a. Each invoice, on Contractor's letterhead, shall clearly and accurately detail all of the following information (calculations must be extended and totaled correctly):
  - (1) Invoice number (assigned by the Contractor);
  - (2) Invoice date;
  - (3) Contract number (assigned by the State);
  - (4) Customer account name: Department of Intellectual and Developmental Disabilities ;
  - (5) Customer account number (assigned by the Contractor to the above-referenced Customer);
  - (6) Contractor name;
  - (7) Contractor Tennessee Edison registration ID number;
  - (8) Contractor contact for invoice questions (name, phone, or email);
  - (9) Contractor remittance address;
  - (10) Description of delivered goods or services provided and invoiced, including identifying information as applicable;
  - (11) Number of delivered or completed units, increments, hours, or days as applicable, of each good or service invoiced;
  - (12) Applicable payment methodology (as stipulated in Section C.3.) of each good or service invoiced;
  - (13) Amount due for each compensable unit of good or service; and
  - (14) Total amount due for the invoice period.
- b. Contractor's invoices shall:
  - (1) Only include charges for goods delivered or services provided as described in Section A and in accordance with payment terms and conditions set forth in Section C;
  - (2) Only be submitted for goods delivered or services completed and shall not include any charge for future goods to be delivered or services to be performed;
  - (3) Not include Contractor's taxes, which includes without limitation Contractor's sales and use tax, excise taxes, franchise taxes, real or personal property taxes, or income taxes; and
  - (4) Include shipping or delivery charges only as authorized in this Contract.
- c. The timeframe for payment (or any discounts) begins only when the State is in receipt of an invoice that meets the minimum requirements of this Section C.5.

C.6. Payment of Invoice. A payment by the State shall not prejudice the State's right to object to or question any payment, invoice, or other matter. A payment by the State shall not be construed as acceptance of goods delivered, any part of the services provided, or as approval of any amount invoiced.

C.7. Invoice Reductions. The Contractor's invoice shall be subject to reduction for amounts included in any invoice or payment that is determined by the State, on the basis of audits conducted in accordance with the terms of this Contract, to not constitute proper compensation for goods delivered or services provided.

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 that are or shall become due and payable to the State of Tennessee by the Contractor.

C.9. Prerequisite Documentation. The Contractor shall not invoice the State under this Contract until the State has received the following, properly completed documentation.

- a. The Contractor shall complete, sign, and present to the State the "Authorization Agreement for Automatic Deposit Form" provided by the State. By doing so, the

Contractor acknowledges and agrees that, once this form is received by the State, payments to the Contractor, under this or any other contract the Contractor has with the State of Tennessee, may be made by ACH; and

- b. The Contractor shall complete, sign, and return to the State the State-provided W-9 form. The taxpayer identification number on the W-9 form must be the same as the Contractor's Federal Employer Identification Number or Social Security Number referenced in the Contractor's Edison registration information.

**D. MANDATORY TERMS AND CONDITIONS:**

- D.1. Required Approvals. The State is not bound by this Contract until it is duly approved by the Parties and all appropriate State officials in accordance with applicable Tennessee laws and regulations. Depending upon the specifics of this Contract, this may include approvals by the Commissioner of Finance and Administration, the Commissioner of Human Resources, the Comptroller of the Treasury, and the Chief Procurement Officer. Approvals shall be evidenced by a signature or electronic approval.
- D.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. All communications, regardless of method of transmission, shall be addressed to the respective Party at the appropriate mailing address, facsimile number, or email address as stated below or any other address provided in writing by a Party.

The State:

Lance Iverson, Deputy Commissioner  
Department of Intellectual and Developmental Disabilities  
Citizen's Plaza State Office Building  
400 Deaderick Street  
Nashville, Tennessee 37243  
Lance.D.Iverson@tn.gov  
Telephone (615) 532-6710  
FAX # (615) 391-9841

The Contractor:

Patricia Domen  
Contract Manager, U.S. Public Sector Services  
12012 Sunset Hills Road  
Reston, VA 20190  
Email: patkraj@microsoft.com  
Phone: 703-943-5709  
Cell: 703-350-9622  
Fax: 425-708-6407

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

- D.3. Modification and Amendment. This Contract may be modified only by a written amendment signed by all Parties and approved by all applicable State officials.
- D.4. Subject to Funds Availability. The Contract is subject to the appropriation and availability of State or federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate this Contract upon written notice to the Contractor. The State's exercise of its right to terminate this Contract shall not constitute a breach of Contract by the State. Upon receipt of the written notice, the Contractor shall cease all work associated with the Contract. If the State terminates this Contract due to lack of funds availability, the Contractor

shall be entitled to compensation for all conforming goods requested and accepted by the State and for all satisfactory and authorized services completed as of the termination date. Should the State exercise its right to terminate this Contract due to unavailability of funds, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages of any description or amount related to such termination for unavailability of funds.

- D.5. Termination for Convenience. The State may terminate this Contract for convenience without cause and for any reason. The State shall give the Contractor at least thirty (30) days written notice before the termination date. The Contractor shall be entitled to compensation for all conforming goods delivered and accepted by the State or for satisfactory, authorized services completed as of the termination date. In no event shall the State be liable to the Contractor for compensation for any goods neither requested nor accepted by the State or for any services neither requested by the State nor satisfactorily performed by the Contractor. In no event shall the State's exercise of its right to terminate this Contract for convenience relieve the Contractor of any liability to the State for any damages or claims arising under this Contract.
- D.6. Termination for Cause. If the Contractor fails to properly perform its obligations under this Contract, or if the Contractor materially violates any terms of this Contract ("Breach Condition"), the State shall provide written notice to Contractor specifying the Breach Condition. If within thirty (30) days of notice, the Contractor has not cured the Breach Condition, the State may terminate the Contract and withhold payments in excess of compensation for completed services or provided goods. 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 and the State may seek other remedies allowed at law or in equity for breach of this Contract. Remedies limited by liability language in the contract.
- D.7. Assignment and Subcontracting. The Contractor shall not assign this Contract or enter into a subcontract for any of the goods or services provided under this Contract without the prior written approval of the State. Notwithstanding any use of the approved subcontractors, the Contractor shall be the prime contractor and responsible for compliance with all terms and conditions of this Contract. The State reserves the right to request additional information or impose additional terms and conditions before approving an assignment of this Contract in whole or in part or the use of subcontractors in fulfilling the Contractor's obligations under this Contract.
- D.8. Conflicts of Interest. The Contractor warrants that no part of the Contractor's compensation 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 under this Contract.
- The Contractor acknowledges, understands, and agrees that this Contract shall be null and void if the Contractor is, or within the past six (6) months has been, an employee of the State of Tennessee or if the Contractor is an entity in which a controlling interest is held by an individual who is, or within the past six (6) months has been, an employee of the State of Tennessee.
- D.9. Nondiscrimination. The Contractor hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the Contractor on the grounds of handicap or disability, age, race, creed, color, religion, sex, national origin, or any other classification protected by federal or state law. The Contractor shall, upon request, show proof of nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.
- D.10. Prohibition of Illegal Immigrants. The requirements of Tenn. Code Ann. § 12-3-309 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 agrees that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract. The Contractor shall reaffirm this attestation, in writing, by submitting to the State a completed and signed copy of the document at Attachment 1, semi-annually during the Term. If the Contractor is a party to more than one contract with the State, the Contractor may submit one attestation that applies to all contracts with the State. All Contractor 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 Term, 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 under this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant to perform work under this Contract. Attestations obtained from 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. Contractor's 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 Tenn. Code Ann. § 12-3-309 for acts or omissions occurring after its effective date.
  - e. For purposes of this Contract, "illegal immigrant" shall be defined as any person who is not: (i) a United States citizen; (ii) a Lawful Permanent Resident; (iii) a person whose physical presence in the United States is authorized; (iv) allowed by the federal Department of Homeland Security and who, under federal immigration laws or regulations, is authorized to be employed in the U.S.; or (v) is otherwise authorized to provide services under the Contract.
- D.11. Records. The Contractor shall maintain documentation for all charges under this Contract. The books, records, and documents of the Contractor, for work performed or money received under this Contract, shall be maintained for a period of five (5) 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.12. 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.13. Progress Reports. The Contractor shall submit brief, periodic, progress reports to the State as requested.
- D.14. Strict Performance. Failure by any Party to this Contract to require, in any one or more cases, 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 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.
- D.15. Independent Contractor. The Parties shall not act as employees, partners, joint venturers, or associates of one another. The Parties are independent contracting entities. Nothing in this Contract shall be construed to create an employer/employee relationship or to allow either Party 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 are not employees or agents of the other Party.

- D.16 Patient Protection and Affordable Care Act. The Contractor agrees that it will be responsible for compliance with the Patient Protection and Affordable Care Act (“PPACA”) with respect to itself and its employees, including any obligation to report health insurance coverage, provide health insurance coverage, or pay any financial assessment, tax, or penalty for not providing health insurance. The Contractor shall indemnify the State and hold it harmless for any costs to the State arising from Contractor’s failure to fulfill its PPACA responsibilities for itself or its employees.
- D.17. Limitation of State’s Liability. The State shall have no liability except as specifically provided in this Agreement. In no event will the State be liable to the Microsoft or any other party for any lost revenues, lost profits, loss of business, decrease in the value of any securities or cash position, time, money, goodwill, or any indirect, special, incidental, punitive, exemplary or consequential damages of any nature, whether based on warranty, contract, statute, regulation, tort (including but not limited to negligence), or any other legal theory that may arise under this Contract or otherwise. The State’s total liability under this Contract (including any exhibits, schedules, amendments or other attachments to the Agreement) or otherwise shall under no circumstances exceed the Estimated Liability. This limitation of liability is cumulative and not per incident.
- D.18. Limitation of Contractor’s Liability.
- a. In accordance with Tenn. Code Ann. § 12-3-701, a. In accordance with Tenn. Code Ann. § 12-3-701, Microsoft’s liability for all claims arising under this Agreement shall be limited to an amount equal to two (2) times the Estimated Liability amount and as may be amended, PROVIDED THAT in no event shall this Section limit the liability of Microsoft for intentional torts (i.e., willful misconduct), criminal acts, fraudulent conduct, or for gross negligence or willful misconduct that result in personal injuries or death to the extent caused by Microsoft or its agents and awarded by a court of final adjudication (or settlement to which we consent). This limitation of liability is in the aggregate and cumulative and not per incident.
  - b. **Estimated Liability.** For the purposes of this Section 18, Limitations of Liability, Estimated Liability shall be direct damages up to the amount the State has paid under the applicable Work Order for the Service giving rise the claim(s). In the event services or any service deliverables are provided to the State on a no-cost basis, Microsoft’s total liability to the State will not exceed US \$5,000.
  - c. These limitations apply regardless of whether the asserted liability is based on breach of contract, tort (including negligence), strict liability, breach of warranties, or any other legal theory.
  - d. **Affiliates and Contractors.** Neither Microsoft nor Institution shall bring any action against the other’s Affiliates or Contractors in respect of any matter disclaimed on their behalf in this Agreement. Each party will be responsible for the other’s costs and damages in the event of any breach of this provision.
  - e. **EXCLUSION OF CERTAIN DAMAGES.** Neither party nor their Affiliates or contractors will be liable for any indirect, consequential, special or incidental damages, or damages for lost profits, revenues, business interruption, or loss of business information in connection with this Agreement, even if advised of the possibility of such damages or if such possibility was reasonably foreseeable.
  - f. The limits and exclusions in this Section 18 do not apply to (1) either party’s obligations under the Section 9 “Defense of infringement, misappropriation, and third party claims” of the MSA, or (2) either party’s liability for violation of its confidentiality obligations (except obligations related to Customer Data) or the other party’s intellectual property rights.
- D.19. Reserved.
- D.20. HIPAA Compliance. The State and Contractor shall comply with obligations under the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), Health Information Technology for Economic and Clinical Health (“HITECH”) Act and any other relevant laws and regulations

regarding privacy (collectively the "Privacy Rules"). The obligations set forth in this Section shall survive the termination of this Contract.

- a. Contractor warrants to the State that it is familiar with the requirements of the Privacy Rules, and will comply with all applicable requirements in the course of this Contract.
  - b. Contractor warrants that it will cooperate with the State, including cooperation and coordination with State privacy officials and other compliance officers required by the Privacy Rules, in the course of performance of the Contract so that both parties will be in compliance with the Privacy Rules.
  - c. The State and the Contractor will sign documents, including but not limited to business associate agreements, as required by the Privacy Rules and that are reasonably necessary to keep the State and Contractor in compliance with the Privacy Rules. This provision shall not apply if information received or delivered by the parties under this Contract is NOT "protected health information" as defined by the Privacy Rules, or if the Privacy Rules permit the parties to receive or deliver the information without entering into a business associate agreement or signing another document.
  - d. The Contractor will indemnify the State and hold it harmless for any violation by the Contractor or its subcontractors of the Privacy Rules. This includes the costs of responding to a breach of protected health information, the costs of responding to a government enforcement action related to the breach, and any fines, penalties, or damages paid by the State because of the violation.
- D.21. Tennessee Consolidated Retirement System. Subject to statutory exceptions contained in Tenn. Code Ann. §§ 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 under Tenn. Code Ann. §§ 8-35-101, *et seq.*, accepts State employment, the member's retirement allowance is suspended during the period of the employment. Accordingly and notwithstanding any provision of this Contract to the contrary, the Contractor agrees that if it is later determined that the true nature of the working relationship between the Contractor and the State under this Contract is that of "employee/employer" and not that of an independent contractor, the Contractor, if a retired member of TCRS, may be required to repay to TCRS the amount of retirement benefits the Contractor received from TCRS during the Term.
- D.22. Tennessee Department of Revenue Registration. The Contractor shall comply with all applicable registration requirements contained in Tenn. Code Ann. §§ 67-6-601 – 608. Compliance with applicable registration requirements is a material requirement of this Contract.
- D.23. Debarment and Suspension. The Contractor certifies, to the best of its knowledge and belief, that it, its current and future principals, its current and future subcontractors and their principals:
- a. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department or agency;
  - b. have not within a three (3) year period preceding this Contract been convicted of, or had a civil judgment rendered against them from commission of fraud, or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or grant under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;
  - c. are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses detailed in section b. of this certification; and

- d. have not within a three (3) year period preceding this Contract had one or more public transactions (federal, state, or local) terminated for cause or default.

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

- D.24. Reserved.
- D.25. State and Federal Compliance. The Contractor shall comply with all applicable state and federal laws and regulations in the performance of this Contract.
- D.26. Reserved.
- D.27. Entire Agreement. This Contract is complete and contains the entire understanding between the Parties relating to its subject matter, 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, whether written or oral.
- D.28. 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 of this Contract shall not be affected and shall remain in full force and effect. The terms and conditions of this Contract are severable.
- D.29. Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.
- D.30. Incorporation of Additional Documents. Each of the following documents is included as a part of this Contract by reference. In the event of a discrepancy or ambiguity regarding the Contractor's duties, responsibilities, and performance under this Contract, these items shall govern in order of precedence below:
  - a. The contract terms and conditions;
  - b. Appendix 1, Microsoft Master Services Agreement U 6270911;
  - c. Appendix 2, Microsoft Work Order and Statement of Work ; and Design Documentation
- D.31. Equal Opportunity During the performance of this Contract, the Contractor agrees as follows:
  - a. The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following:
    - (1) Employment, upgrading, demotion, or transfer, recruitment or recruitment advertising;
    - (2) Layoff or termination;
    - (3) Rates of pay or other forms of compensation; and
    - (4) Selection for training, including apprenticeship.
- D.32. Insurance. The Contractor shall carry adequate liability and other appropriate forms of insurance.
  - a. The Contractor shall maintain, at minimum, the following insurance coverage:
    - (1) Workers' Compensation/ Employers' Liability (including all states coverage) with a limit not less than the relevant statutory amount or one million dollars (\$1,000,000) per occurrence for employers' liability whichever is greater.
    - (2) Comprehensive Commercial General Liability (including personal injury & property damage, premises/operations, independent contractor, contractual liability and completed operations/products) with a bodily injury/property damage

combined single limit not less than one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) aggregate.

- (3) Automobile Coverage (including owned, leased, hired, and non-owned vehicles) with a bodily injury/property damage combined single limit not less than one million dollars (\$1,000,000) per occurrence.
- (4) Errors and Omission Coverage with a limit of not less than one million dollars (\$1,000,000) per claim and two million dollars (\$2,000,000) aggregate.

b. The Contractor shall provide a valid Certificate or Evidence of Insurance. Failure to provide required evidence of insurance coverage shall be a material breach 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, the special terms and conditions shall be subordinate to the Contract's other terms and conditions.
- E.2. Confidentiality of Records. Strict standards of confidentiality of records and information shall be maintained in accordance with applicable state and federal law. All material and information, regardless of form, medium or method of communication, provided to the Contractor by the State or acquired by the Contractor on behalf of the State that is regarded as confidential under state or federal law shall be regarded as "Confidential Information." Nothing in this Section shall permit Contractor to disclose any Confidential Information, regardless of whether it has been disclosed or made available to the Contractor due to intentional or negligent actions or inactions of agents of the State or third parties. Confidential Information shall not be disclosed except as required or permitted under state or federal law. Contractor shall take all necessary steps to safeguard the confidentiality of such material or information in conformance with applicable state and federal law.

The obligations set forth in this Section shall survive the termination of this Contract.

**IN WITNESS WHEREOF,**

**MICROSOFT CORPORATION:**

---

**CONTRACTOR SIGNATURE**

**DATE**

---

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

DEPARTMENT OF INTELLECTUAL AND DEVELOPMENTAL DISABILITIES:

---

DEBRA K. PAYNE, COMMISSIONER

DATE

DRAFT

**ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE**

<b>SUBJECT CONTRACT NUMBER:</b>	
<b>CONTRACTOR LEGAL ENTITY NAME:</b>	Microsoft Corporation
<b>FEDERAL EMPLOYER IDENTIFICATION NUMBER:</b> (or Social Security Number)	Available under Edison Vendor ID # 70430

If the attestation applies to more than one contract, modify the following paragraph accordingly.

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

---

**CONTRACTOR SIGNATURE**

NOTICE: This attestation MUST be signed by an individual empowered to contractually bind the Contractor. Attach evidence documenting the individual's authority to contractually bind the Contractor, unless the signatory is the Contractor's chief executive or president.

---

**PRINTED NAME AND TITLE OF SIGNATORY**

---

**DATE OF ATTESTATION**

# Statement of Work

## EXHIBIT A – WORK ORDER XXXXXX

### TITAN Development– Enrollment, Service Planning, and Protection from Harm

*Prepared for*

Tennessee Department of Intellectual and Developmental Disabilities

17 February 2016

Version 1.2 Draft

*Prepared by*

**Kevin Bowling**

Solution Architect

kbowling@microsoft.com

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# Introduction

This Statement of Work (SOW) and any exhibits, appendices, schedules, and attachments to it are made pursuant to the Work Order No. **USSLGE-C15114236**, the terms of which are incorporated herein by reference, by and between Tennessee Department of Intellectual and Developmental Disabilities ("TN DIDD", "TN", "DIDD", "Customer", "you", "your") and Microsoft Corporation ("Microsoft", "us", "we", "our) or Microsoft's affiliate, and sets forth the services to be performed by us related to the TITAN Development Phase 2, 3, 4, 5, 6, and 7 project. This SOW, together with the Work Order, and the Technical Design Document, Functional Design Document, and Systems Integration Document incorporated herein, represents the complete baseline for scope, services, Service Deliverables, and acceptance applicable to this project. All changes to this document will be managed in accordance with the Change Management Process defined below. Any terms not otherwise defined herein will assume the meanings set forth in the Work Order.

This SOW and the associated Work Order expire 60 days after their publication date, unless they have been accepted or formally extended in writing by Microsoft.

## 1 Project Objectives and Scope

### 1.1 Objectives

This project is comprised of the following six development phases focused on enhancing DIDD's Dynamics CRM-based TITAN solution:

- Development Phase 2 – Enrollment and Services
- Development Phase 3 – Service Planning, Events, and Provider Users
- Development Phase 4 – Protection from Harm
- Development Phase 5 – Behavior Support Plan
- Development Phase 6 – Administrator on Duty
- Development Phase 7 – Harold Jordan Center

## 1.2 Areas Within Scope

### 1.2.1 General Project Scope

Microsoft will provide services in support of the scope identified in the below tables. Additionally, training is being provided as detailed in Section 1.2.6 but is not tied to any specific development phase.

#### Development Phase 2 – Enrollment and Services

*Table 1: Enrollment and Services Scope*

Service/Feature/Function	Description	Key Scope & Assumptions
General CRM - Security	<ul style="list-style-type: none"> <li>Add new roles, teams, field level security profiles</li> <li>Update existing security configuration</li> <li>Configure access teams as needed</li> </ul>	<ul style="list-style-type: none"> <li>Configuration of 4 additional roles</li> <li>Configuration of 2 additional field level security (FLS) profiles</li> </ul>
Enrollment	<ul style="list-style-type: none"> <li>Implementation of processes to support enrollment of individuals</li> </ul>	<ul style="list-style-type: none"> <li>Configuration of 4 entities, 4 forms, and 8 views</li> <li>Configuration of 2 reports of medium or lower complexity, 1 dashboard</li> <li>Configuration of 1 process</li> <li>Customization of 3 plug-ins</li> </ul>

#### Development Phase 3 – Service Planning, Events, and Provider Users

*Table 2: Service Planning, Events, and Provider Users Scope*

Service/Feature/Function	Description	Key Scope & Assumptions
General CRM - Security	<ul style="list-style-type: none"> <li>Update existing security configuration</li> <li>Configure access teams as needed</li> </ul>	<ul style="list-style-type: none"> <li>Existing roles and FLS profiles will be updated to configure security on 10 custom entities introduced during this phase</li> </ul>
Service Planning ISP	<ul style="list-style-type: none"> <li>Implementation of processes to support individual service plans</li> <li>Develop rule engine to process calculation based and checklist based service protocols</li> </ul>	<ul style="list-style-type: none"> <li>Configuration of 6 entities, 6 forms, and 12 views</li> <li>Configuration of 4 reports of medium or lower complexity, 2 dashboards</li> <li>Configuration of 3 processes</li> <li>Customization limited 10 plug-ins (not including rules engine related plug-ins)</li> <li>Rules Engine - Configuration of 30 calculation based protocols</li> </ul>

		<ul style="list-style-type: none"> <li>Rules Engine - Configuration of 5 checklist based protocols</li> </ul>
Events	<ul style="list-style-type: none"> <li>Implement processes for death, transfer, transition, voluntary disenrollment, and involuntary disenrollment events</li> </ul>	<ul style="list-style-type: none"> <li>Configuration of 5 entities, 5 forms, and 10 views</li> <li>Configuration of 5 reports of medium or lower complexity, 1 dashboard</li> <li>Configuration of 5 processes</li> <li>Customization limited to 2 plug-ins</li> </ul>
Integration – Oracle Inbound	<ul style="list-style-type: none"> <li>Push of TITAN data to Oracle</li> </ul>	<ul style="list-style-type: none"> <li>One direction, from TITAN to Oracle</li> <li>Executed as a nightly, batch process</li> <li>Will be developed as documented in the TITAN Systems Integration Design document delivered by Microsoft as part of the TITAN Design engagement</li> <li>DIDD responsible for loading extracted data into Oracle</li> </ul>
Integration – Oracle Outbound	<ul style="list-style-type: none"> <li>Push of Oracle data to TITAN</li> </ul>	<ul style="list-style-type: none"> <li>One direction, from Oracle to TITAN</li> <li>Executed as a nightly, batch process</li> <li>Will be developed as documented in the TITAN Systems Integration Design document delivered by Microsoft as part of the TITAN Design engagement</li> <li>DIDD responsible for extracting data from Oracle and loading it into a SQL integration database for staging prior to commencement of phase 3</li> </ul>
Notification and Alerts	<ul style="list-style-type: none"> <li>Configure workflows for notifications and alerts</li> </ul>	<ul style="list-style-type: none"> <li>Configuration of 6 workflows</li> </ul>
Data Migration	<ul style="list-style-type: none"> <li>Oracle Data</li> </ul>	<ul style="list-style-type: none"> <li>Data to be migrated and other clarifying information as detailed in Section 1.2.3</li> </ul>

#### Development Phase 4 – Protection from Harm

Table 3: Protection from Harm Scope

Service/Feature/Function	Description	Key Scope & Assumptions
General CRM – Security	<ul style="list-style-type: none"> <li>Add users, roles, teams, field level security profiles</li> <li>Update existing security configuration</li> <li>Configure access teams as needed</li> </ul>	<ul style="list-style-type: none"> <li>Configuration of 4 additional roles</li> <li>Configuration of 2 additional field level security profiles</li> </ul>
Protection from Harm Incidents	<ul style="list-style-type: none"> <li>Implementation of processes to support Protection from Harm Incidents</li> <li>Incidents tracked as cases within CRM, leveraging out-of-box case management as much as possible</li> </ul>	<ul style="list-style-type: none"> <li>Configuration of 4 entities, 4 forms, and 8 views</li> <li>Configuration of 4 reports, 2 dashboards</li> <li>Configuration of 2 processes</li> <li>Customization of 2 plug-ins</li> </ul>
Protection from Harm Investigations	<ul style="list-style-type: none"> <li>Implementation of processes to support Protection from Harm Investigations</li> </ul>	<ul style="list-style-type: none"> <li>Configuration of Configuration of 4 entities, 4 forms, and 8 views</li> <li>Configuration of 4 reports of medium or lower complexity, 2 dashboards</li> <li>Configuration of 2 processes</li> <li>Customization limited to 2 plug-ins</li> </ul>
Notifications and Alerts	<ul style="list-style-type: none"> <li>Configure workflows for notifications and alerts</li> </ul>	<ul style="list-style-type: none"> <li>Configuration of 5 workflows</li> </ul>

## Development Phase 5 – Behavior Support Plan

Table 4: Behavior Support Plan Scope

Service/Feature/Function	Description	Key Scope & Assumptions
General CRM – Security	<ul style="list-style-type: none"> <li>Update existing security configuration</li> <li>Configure access teams as needed</li> </ul>	<ul style="list-style-type: none"> <li>Existing roles and FLS profiles will be updated to configure security on custom entities introduced during this phase</li> </ul>
Service Planning – BSP	<ul style="list-style-type: none"> <li>Implementation of processes to support Behavior Support Plans (BSP) in TITAN</li> </ul>	<ul style="list-style-type: none"> <li>Will allow Excel spreadsheets to be attached to the BSP record in SharePoint</li> <li>Configuration of 2 entities, 2 forms, and 4 views</li> <li>Configuration of 1 report of medium or lower complexity, 1 dashboard</li> <li>Configuration of 1 process</li> </ul>

		<ul style="list-style-type: none"> <li>Customization limited to 2 plug-ins</li> </ul>
Notifications and Alerts	<ul style="list-style-type: none"> <li>Configure workflows for notifications and alerts</li> </ul>	<ul style="list-style-type: none"> <li>Configuration of 2 workflows</li> </ul>
Data Migration	<ul style="list-style-type: none"> <li>Fox Pro and Cosmos Data</li> </ul>	<ul style="list-style-type: none"> <li>Data to be migrated and other clarifying information as detailed in Section 1.2.3</li> </ul>

## Development Phase 6 – Administrator on Duty

Table 5: Administrator on Duty Scope

Service/Feature/Function	Description	Key Scope & Assumptions
General CRM – Security	<ul style="list-style-type: none"> <li>Update existing security configuration</li> <li>Configure access teams as needed</li> </ul>	<ul style="list-style-type: none"> <li>Existing roles and FLS profiles will be updated to configure security on custom entities introduced during this phase</li> </ul>
Administrator on Duty	<ul style="list-style-type: none"> <li>Implementation of processes to support Administrator on Duty to authorize short term services</li> </ul>	<ul style="list-style-type: none"> <li>Configuration of 2 entities, 2 forms, and 4 views</li> <li>Configuration of 1 process</li> <li>Customization of 1 plug-in</li> </ul>
Notifications and Alerts	<ul style="list-style-type: none"> <li>Configure workflows for notifications and alerts</li> </ul>	<ul style="list-style-type: none"> <li>Configuration of 3 workflows</li> </ul>
Data Migration	<ul style="list-style-type: none"> <li>Migration of BSP Data</li> </ul>	<ul style="list-style-type: none"> <li>Data to be migrated and other clarifying information as detailed in Section 1.2.3</li> </ul>

## Development Phase 7 – Harold Jordan Center

Table 6: Harold Jordan Center Scope

Service/Feature/Function	Description	Key Scope & Assumptions
General CRM – Security	<ul style="list-style-type: none"> <li>Update existing security configuration</li> <li>Configure access teams as needed</li> </ul>	<ul style="list-style-type: none"> <li>Existing roles and FLS profiles will be updated to configure security on custom entities introduced during this phase</li> </ul>
Harold Jordan Center	<ul style="list-style-type: none"> <li>Implementation of intake, assessment, and enrollment processes to support Harold Jordan Center</li> </ul>	<ul style="list-style-type: none"> <li>Configuration of 2 entities, 2 forms, and 2 views</li> <li>Configuration of 1 report of medium or lower complexity, 1 dashboard</li> <li>Configuration of 1 process</li> <li>Customization of 2 plug-ins</li> </ul>

Configuration of Integration – TennCare PDMS	<ul style="list-style-type: none"> <li>• Import provider data from PDMS                         <ul style="list-style-type: none"> <li>○ Provider Agencies</li> <li>○ Sites</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• PDMS will provide TITAN a web service call to retrieve data prior to commencement of phase 7</li> <li>• A field or set of fields will be identified by DIDD at the start of the iteration this work is scheduled to start as key field(s) to match data already in Titan to determine insert or update</li> <li>• Will be developed as documented in the TITAN Systems Integration Design document delivered by Microsoft as part of the TITAN Design engagement</li> </ul>
Integration – TennCare VSHP	<ul style="list-style-type: none"> <li>• Develop an integration between TennCare VSHP and TITAN to send opt-in candidates to VSHP and update status on opt-in candidates and enrollees in TITAN</li> </ul>	<ul style="list-style-type: none"> <li>• Bi-directional integration leveraging flat-files via SSIS</li> <li>• Will be developed as documented in the TITAN Systems Integration Design document delivered by Microsoft as part of the TITAN Design engagement</li> <li>• Interface components must be in place prior to commencement of this phase if needed</li> </ul>
Notifications and Alerts	<ul style="list-style-type: none"> <li>• Configure workflows for notifications and alerts</li> </ul>	<ul style="list-style-type: none"> <li>• Configuration of 2 workflows</li> </ul>

## 1.2.2 Software Products / Technologies

The products listed in the table below are required to deliver this project. Customer is responsible for obtaining all required licenses and products.

*Table 7: Software Products/Technologies Required*

Product/Technology Item	Version	Required by Date
<ul style="list-style-type: none"> <li>▪ Dynamics CRM On-Premises</li> </ul>	2016	2 <sup>nd</sup> week after engagement start date
<ul style="list-style-type: none"> <li>▪ Windows Server (required for CRM, SharePoint, SQL, and ADFS)</li> </ul>	2012 R2	2 <sup>nd</sup> week after engagement start date
<ul style="list-style-type: none"> <li>▪ Microsoft SharePoint</li> </ul>	2013	2 <sup>nd</sup> week after engagement start date
<ul style="list-style-type: none"> <li>▪ Microsoft SQL Server</li> </ul>	2012 or 2014	2 <sup>nd</sup> week after engagement start date

### 1.2.3 Data Migration

The following data migration requirements will be confirmed at the start of the applicable phase (as noted in the Development Phase column below) and converted using SQL Server Integration Services (SSIS) and unit tested. Any additional data migration required will be addressed according to the change management process as described in Section 2.4.3 of this Statement of Work.

Table 8: Data Migration Scope

Data Source / Entity	Data Volume	Migration Mechanism	Development Phase	Migration Responsibility
Oracle – CST_CLNT_UP	<100,000	SSIS	Development 2	Microsoft
Oracle – CST_AGY_UP	<100,000	SSIS	Development 2	Microsoft
Oracle – CST_CST_PLN_UP	<100,000	SSIS	Development 2	Microsoft
Oracle – CST_EMP_UP	<100,000	SSIS	Development 2	Microsoft
Oracle – CST_SERV_UP	<100,000	SSIS	Development 2	Microsoft
Oracle – CST_ENROLL_UP	<100,000	SSIS	Development 2	Microsoft
Oracle – CST_CLNT_CAPS_UP	<100,000	SSIS	Development 2	Microsoft
FoxPro – I&I	<250,000	SSIS	Development 4	Microsoft
Cosmos	<250,000	SSIS	Development 4	Microsoft
BSP	<100,000	SSIS	Development 5	Microsoft
PDMS – Provider	<10,000	SSIS	Development 6	Microsoft
PDMS – Provider Location	<10,000	SSIS	Development 6	Microsoft

Table 9: Data Migration Responsibilities

Task	Microsoft	Customer	Required By
<ul style="list-style-type: none"> <li>Review and confirm data migration design and data mappings in Technical Design Document (TDD) (from previous design engagement)</li> </ul>		X	Start of the applicable Phase
<ul style="list-style-type: none"> <li>Perform extraction from legacy system</li> </ul>		X	End of Development for the applicable Phase
<ul style="list-style-type: none"> <li>Conduct Data cleansing and normalization</li> </ul>		X	End of Development for the applicable Phase
<ul style="list-style-type: none"> <li>Perform data mapping (legacy to new)</li> </ul>	X		End of Development for the applicable Phase
<ul style="list-style-type: none"> <li>Develop format templates and the form data should take</li> </ul>	X		End of Development for the applicable Phase
<ul style="list-style-type: none"> <li>Develop data migration processes</li> </ul>	X		End of Development for the applicable Phase

Task	Microsoft	Customer	Required By
<ul style="list-style-type: none"> <li>Place data in template format and form</li> </ul>		X	End of Development for the applicable Phase
<ul style="list-style-type: none"> <li>Load data into new system</li> </ul>	X		End of Development for the applicable Phase
<ul style="list-style-type: none"> <li>Perform manual data migrations (if any)</li> </ul>		X	End of Development for the applicable Phase
<ul style="list-style-type: none"> <li>Test and validate migrated data (including reconciliation)</li> </ul>		X	Beginning of Testing for the applicable Phase

## 1.2.4 Integration and Interfaces

The following system integration interfaces are in scope.

Table 10: Integration Interfaces Scope

Interface Name	Description of Scope
<ul style="list-style-type: none"> <li>TennCare PDMS</li> </ul>	Service provider data integrated using a batch SSIS process as documented in the TITAN Systems Integration Design document
<ul style="list-style-type: none"> <li>Oracle Inbound</li> </ul>	Synchronization of services and funding source related data from TITAN to Oracle as documented in the TITAN Systems Integration Design document
<ul style="list-style-type: none"> <li>Oracle Outbound</li> </ul>	Synchronization of services and funding source related data from Oracle to TITAN as documented in the TITAN Systems Integration Design document
<ul style="list-style-type: none"> <li>TennCare VSHP</li> </ul>	Bi-directional integration of potential opt-in candidates from TITAN to VSHP and statuses of candidates and enrollees from VSHP to TITAN. Integrated via flat-file using SSIS as documented in the TITAN Systems Integration Design document

## 1.2.5 Environments

The environments listed in the table below are required to deliver this project. The party listed is responsible for establishing the environment in the location specified and by the time noted.

Table 11: Required Environments

Environment	Location	Responsibility	Ready by
<ul style="list-style-type: none"> <li>Development</li> </ul>	TN DIDD	TN DIDD	N/A. Already in place.
<ul style="list-style-type: none"> <li>Training</li> </ul>	TN DIDD	TN DIDD	N/A. Already in place.
<ul style="list-style-type: none"> <li>UAT\Test</li> </ul>	TN DIDD	TN DIDD	N/A. Already in place.
<ul style="list-style-type: none"> <li>Production</li> </ul>	TN DIDD	TN DIDD	N/A. Already in place.

## 1.2.6 Training

DIDD will manage the training process and will jointly develop a formal Training Plan with Microsoft. Microsoft will develop the training to include providing six (6) days of an onsite trainer developing the content for the identified session (classroom and video). Microsoft will deliver the training at DIDD's Nashville Office.

Total training development will consist of:

*Table 12: Training Within Scope*

Type of Training	Number of Sessions	Duration of Each Session	Class Size
▪ Classroom Training	8 Total	3 hours	20
▪ Video Tutorials	32 Total	10 minutes	N/A

Classroom training will be delivered via presentation. DIDD is responsible for providing a suitable classroom, including a projector.

In addition to the above training, DIDD will be provided access to an online learning management system (LMS) that will provide users access to the above identified video tutorials in addition to over 300 video tutorials covering general Dynamics CRM topics. Access to the LMS environment will persist for a 12-month period following the completion of this project as noted in section 2.5. There will be no tracking of completion of video tutorial training.

## 1.2.7 Testing

The following testing is in scope. Note that testing effort is broken out by work stream in the table below.

*Table 13: Testing Scope*

Test Type	Description	Responsible	Provides Test Data/Cases	Guidance & Support	Environment
Unit Testing	Executing unit test cases are the responsibility of the developers	Microsoft	Microsoft	TN DIDD	Development
System Testing	System Testing focuses on the functionality meeting the design. Test cases are provided by TN DIDD	Microsoft	TN DIDD	TN DIDD	UAT\Test

Test Type	Description	Responsible	Provides Test Data/Cases	Guidance & Support	Environment
Integration Testing	Integration Testing focuses on the integration and interaction with external or third party components. Test cases are provided by TN DIDD <b>This duration of Microsoft's effort to support DIDD in the activity cannot exceed 120 hours total for the project.</b>	TN DIDD	TN DIDD	Microsoft	UAT\Test
User Acceptance Testing (UAT)	User functionality of key real world scenarios. Test cases are provided by TN DIDD <b>This duration of Microsoft's effort to support DIDD in the activity cannot exceed 180 hours total for the project.</b>	TN DIDD	TN DIDD	Microsoft	UAT\Test

During testing, TN DIDD and Microsoft will jointly agree on solution related defects and their priority. The Microsoft team will fix all in scope P1 and P2 defects. Defect priorities are shown in the following table.

Table 14: Defect Priorities

Defect Priority	Description of Priority
P1	<ul style="list-style-type: none"> <li>Showstopper defect. Development, testing, or production launch cannot proceed until the defect is corrected</li> <li>Must fix as soon as possible, Defect is blocking further progress in this area</li> <li>Solution cannot ship and the project team cannot achieve the next milestone</li> </ul>
P2	<ul style="list-style-type: none"> <li>Defect must be fixed prior to moving to production</li> <li>Does not affect test plan execution</li> </ul>
P3	<ul style="list-style-type: none"> <li>It is important to correct the defect. However, it is possible to move forward into production using a workaround</li> </ul>

	<ul style="list-style-type: none"> <li>Does not impact functionality as designed (i.e., Message change in user experience program)</li> </ul>
P4	<ul style="list-style-type: none"> <li>Feature enhancement or cosmetic defects</li> <li>Design change from original concepts</li> </ul>

**Note:** P3 and P4 defects will be logged and TN DIDD may choose to schedule their remediation either by change request, via the Change Management Process described in Section 2.4.3 of this Statement of Work, or during a subsequent release. P3 and P4 defects will not be corrected by default under this Statement of Work.

**Note:** Product bugs and design change requests (DCR) are not in scope. Product related issues must be addressed separately through Premier Support.

## 1.3 Areas Out of Scope

Any area that is not explicitly listed in Section 1.2 as “within scope” is out of scope for this engagement. The areas that are out of scope for this engagement include, but are not limited to, the following:

*Table 15: Areas Out of Scope*

Area	Description
Family Support	The implementation of processes to include Family Support in the TITAN solution is out-of-scope for this project
Product Licenses	Product licenses (Microsoft or non-Microsoft) will not be provided under this Statement of Work. Customer is responsible for acquiring all necessary product licenses required as a result of this Statement of Work
Self-service Password Reset	Self-service password reset will not be enabled as part of this project
Hardware	Hardware will not be provided under this Statement of Work. Customer is responsible for acquiring all necessary hardware
Integration with 3rd Party Software	Microsoft will not be responsible for integration with 3rd Party Software other than as identified in 1.2
Test cases	Microsoft will not be responsible for the development of new or updating of existing test cases; TN DIDD will provide all test cases
Organizational Change Management	Design or re-design of Customer’s functional organization unless specifically included in scope and delivered by MCS Operations Consulting staff
Auditing	Archiving of out of the box auditing data

## 2 Project Approach, Timeline and Deliverable Acceptance

## 2.1 Approach

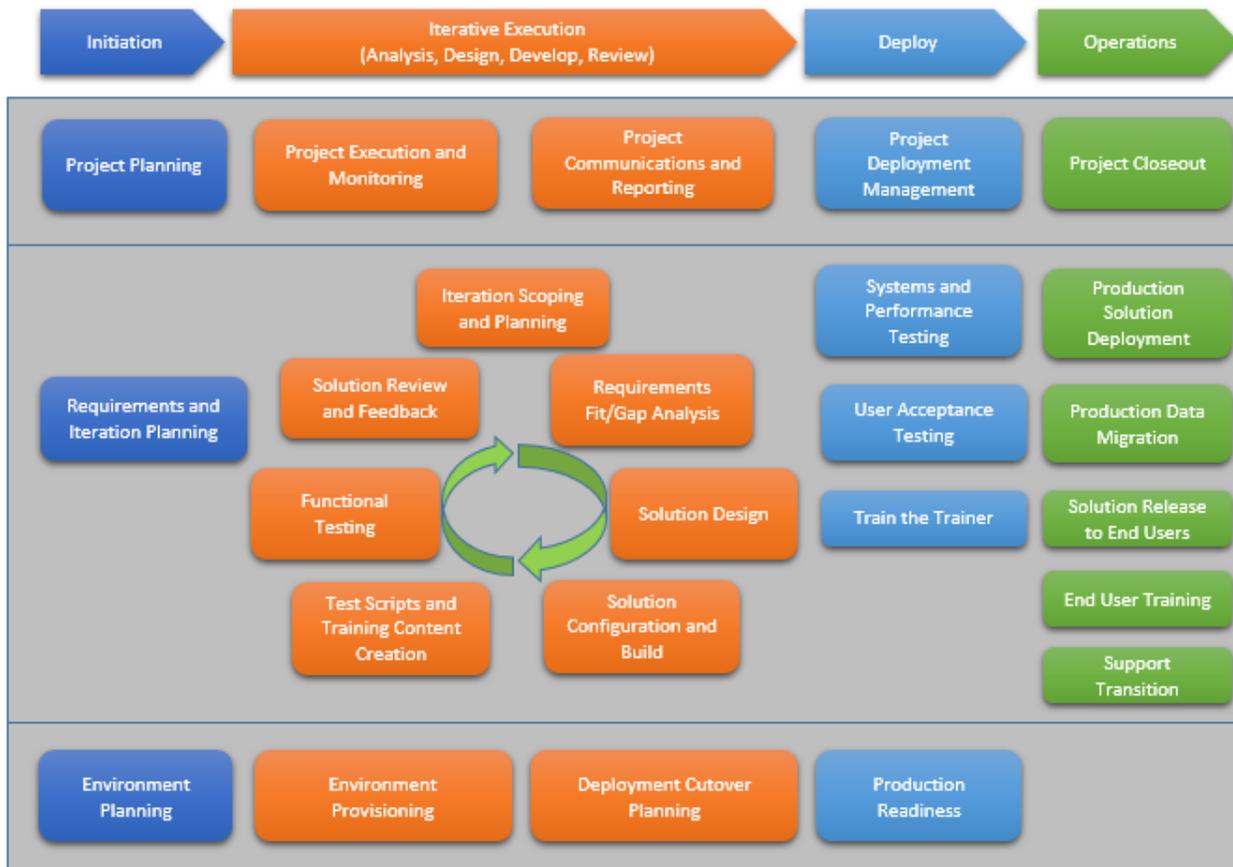


Figure 1: Iterative Sure Step Evolved Project Delivery Methodology

### Sure Step Evolved Iterative Implementation Methodology

The project team will leverage the Sure Step Evolved Delivery (iterative implementation) methodology to execute this SOW. At a high level, this project follows an incremental delivery model. Principles of this model are as follows:

- Project Initiation (Section 2.1.1):** During Project Initiation we will define overall planning of the project, high-level analysis and solution design, which we will further refine as the incremental **release model** strengthens. During initiation, we will develop the release plan in which we define the features to be developed in each release. Each release will consist of one or more iterations.
- Incremental Release Model (Iteration 1 to Iteration 4) (Section 2.1.2 – Section 2.1.6):** All business requirements have been divided into groups to be delivered in specific solution releases. Each release will be delivered in iterations. Iterations are formulated to logically break the overall solution into manageable quantities. **Each**

**iteration is limited to no more than three (3) weeks.** Each iteration will consist of three stages:

- **Iteration Initiation Stage:** The initiation stage consists of a planning phase during which the release and sprint backlog are developed.
  - **Iteration Execution Stage:** The Execution Stage is a predetermined number of self-contained phases consisting of Analysis, Design, Develop, and Test & Review. The Analysis, Design and Development phases’ work products and deliverables are updated during each iteration. Thus, the Design & Development of the system becomes an incremental/progressive process. The last phase of each iteration is a test and review phase where the Customer will test incremental work products and provide feedback that will be used as input to the next iteration.
  - **Release Deployment Stage:** During the Deployment Stage of each release, Customer resources will be working with the MCS Team to execute and validate functionality built within each release. At the end of each release, MCS will deploy the solution in the UAT environment. TN DIDD will conduct additional Functional Testing of the components deemed completed. Once a final “go” is obtained, the components pertaining to that release will be deployed in Production for external users (Go-Live).
- **Project Deployment (Section 2.1.7):** At the end of all Releases, the Project Deployment Phase allows for completing remaining deployment formalities of the solution to production. This is the final deployment before a final “go-ahead” to the Project Operations phase. During the Project Deployment Phase, the key activities are production infrastructure build-out (if anything is remaining), quality testing, and remaining tasks of solution rollout to production.
  - **Project Operations Phase:** Following the final Project Deployment Phase, the Project Operations Phase allows for transition to operations and project closure activities. Note, that this project does not include an operations phase as a succeeding project is expected to start at the conclusion of this project.

### 2.1.1 Project Initiation

The Project Initiation Phase represents the official start of each overall development phase (Development Phases 2, 3, 4, 5, 6, and 7). This phase defines the activities required for Microsoft and Customer team members to initiate and effectively prepare and plan the project. This is the planning phase of the project during which the Microsoft and Customer teams individually prepare and then come together to align the methodology and project plan with the number of iterations and the release plan.

*Table 16: Project Initiation*

Category	Description
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Microsoft Activities	<u>General</u> <ul style="list-style-type: none"> <li>▪ Prepare Project Kick-off Presentation (up to two [2] hours)</li> <li>▪ Project Kick-off Meeting (up to two [2] hours)</li> <li>▪ Develop Iteration Plan</li> <li>▪ Review FDD and TDD to align project activities*</li> </ul>
Customer Responsibilities	<u>General</u> <ul style="list-style-type: none"> <li>▪ Participate in kick-off planning and presentation</li> <li>▪ Attend Kick-off Meeting</li> <li>▪ Review and Approve Iteration Plan</li> </ul>
Exit Criteria	<ul style="list-style-type: none"> <li>▪ Project kick-off completed</li> <li>▪ Approved iteration plans</li> </ul>
Key Assumptions	<ul style="list-style-type: none"> <li>▪ Work conducted at Customer site</li> <li>▪ Customer resources will be available for project kick off</li> </ul>

\* This activity will consist of a review of the FDD and TDD only, to prepare for the development effort. No changes will be made to the FDD and TDD.

## Phase Outputs

Microsoft will provide the following Service Deliverables. Those that require formal review and acceptance under the process described in Section 2.3 Service Deliverable Acceptance Process are indicated.

*Table 17: Project Initiation Phase Outputs*

Name	Description	Acceptance Required (Y/N)
Development Phase Iteration Plan	A listing of the work that is planned for a specific development phase to include the specific iterations within the phase	N

### 2.1.2 Iteration Development Phase

Each overall Development Phase (Development Phases 2, 3, 4, 5, 6, and 7) is broken into multiple iterations (or segments) of manageable work that can be achieved over the course of two (2) to three (3) weeks. Iteration Development is the development segment of an iteration.

The goal of the Iteration Development is to complete the solution build and test the system components that were defined and approved in the iteration, including developing the customizations, integrations and interfaces, and data migration processes.

*Table 18: Iteration Development Phase*

Category	Description
----------	-------------

Microsoft Activities	<ul style="list-style-type: none"> <li>Develop and unit test items in the iteration Backlog</li> <li>Complete system configuration</li> <li>Conduct unit testing for customizations and interfaces</li> <li>Triage test results</li> </ul>
Customer Responsibilities	<ul style="list-style-type: none"> <li>Develop system test scripts</li> <li>Develop UAT test scripts</li> <li>Contribute to execution of test scripts</li> </ul>
Exit Criteria	<ul style="list-style-type: none"> <li>Complete system configuration for items in the iteration</li> <li>Complete custom coding for items in the iteration</li> </ul>
Key Assumptions	<ul style="list-style-type: none"> <li>Environments are established prior to activities starting as defined in Section 1.2.3</li> <li>Test cases will be defined by Customer</li> </ul>

## Phase Outputs

Customer will provide the following items:

*Table 19: Iteration Development Phase Outputs*

Name	Description
System/End-to-End Test Scripts	<ul style="list-style-type: none"> <li>Documented test script for each in-scope process plus any variations of the process critical to normal daily business operations</li> </ul>
User Acceptance Test Scripts	<ul style="list-style-type: none"> <li>User Acceptance Test cases need to be provided by the Customer during this phase and prior to the beginning of UAT</li> </ul>

### 2.1.3 Iteration Test and Review Phase

The Iteration Test and Review Phase of each iteration is where the Customer performs acceptance testing and reviews the work completed to date. Feedback is gathered and used as input to the next iteration. Key activities in this phase include demonstration by the Microsoft team to the Customer, and updating of the Iteration and Release Plan.

*Table 20: Iteration Test and Review Phase*

Category	Description
Microsoft Activities	<ul style="list-style-type: none"> <li>Conduct Customer demo workshops using the test environment</li> <li>Update Iteration Plan</li> <li>Update Iteration Backlog</li> </ul>
Customer Responsibilities	<ul style="list-style-type: none"> <li>Participate in all workshops</li> <li>Provide input into and approve Iteration backlog</li> <li>Agree on priority and scope of each backlog item</li> </ul>
Exit Criteria	<ul style="list-style-type: none"> <li>Customer accepts updated Iteration Plan</li> </ul>
Key Assumptions	<ul style="list-style-type: none"> <li>None</li> </ul>

## Workshops

With Customer participation, the following workshops will be led by Microsoft during this phase.

*Table 21: Iteration Test and Review Phase Workshops*

Activity	Topics Covered	Hours per Session	Number of Sessions
System Demonstration Workshops	System is demonstrated to the Customer in the test environment. Customer performs hands on review and provides feedback used to update the Iteration Backlog and Plan.	2	1 per iteration in each phase if applicable

## Phase Outputs

Microsoft will provide the following Service Deliverables. Those that require formal review and acceptance under the process described in Section 2.3 Service Deliverable Acceptance Process are indicated.

*Table 22: Iteration Test and Review Phase Outputs*

Name	Description	Acceptance Required (Y/N)
Configured System in Test Environment	<ul style="list-style-type: none"> <li>Configured System is staged in test environment for user review</li> </ul>	N
Updated Development Phase Iteration Plan	<ul style="list-style-type: none"> <li>Incrementally updated listing of the prioritized functional requirements (and bugs of earlier iterations) that will be scheduled for delivery in next iteration and by release</li> </ul>	N

### 2.1.4 Deployment Phase

The Deployment Phase is where all the efforts of the project team come together for a successful transition to the new Microsoft Dynamics CRM release. Key activities in this phase include User Acceptance Testing (if applicable), Training and the final cut-over to the production environment.

*Table 23: Deployment Phase*

Category	Description
Microsoft Activities	<ul style="list-style-type: none"> <li>Prepare final release plan for deployment- containing remaining deployment tasks</li> </ul>

	<ul style="list-style-type: none"> <li>▪ Provide support for User Acceptance Testing (if applicable)</li> <li>▪ Support regression testing performed by DIDD</li> <li>▪ Conduct Go/No-Go Review Meeting to finalize decision to move into post iteration target system</li> <li>• Assist with Production solution deployment not to exceed 120 hours total for the project</li> </ul>
Customer Responsibilities	<ul style="list-style-type: none"> <li>▪ Perform User Acceptance Test</li> <li>▪ Execute Regression Test</li> <li>▪ Conduct Functional Testing</li> <li>▪ Perform Integration Test</li> <li>▪ Participate in Go /No-Go Review Meeting and decide to move into Production</li> <li>▪ Provide end user support</li> <li>▪ Deploy solution to Production environment</li> </ul>
Exit Criteria	<ul style="list-style-type: none"> <li>▪ Solution deployed to post release target environment</li> <li>▪ Solution deployed to Production</li> <li>▪ End users are able to access the new system</li> </ul>
Key Assumptions	<ul style="list-style-type: none"> <li>▪ Production environment is ready for deployment</li> <li>▪ This project will consist of six (6) Deployment phases, one (1) per overall Development Phase (Development Phases 2, 3, 4, 5, 6, and 7)</li> <li>▪ The Microsoft team will begin executing the next Development Phase as the current Development Phase enters Deployment (For example: Microsoft will begin executing Development Phase 3 as Development Phase 2 enters Deployment; Microsoft will be available for assistance as noted under Microsoft Activities, but it is important that DIDD staff drives the completion of testing and training during this phase)</li> </ul>

## Phase Outputs

Customer will provide the following items:

*Table 24: Deployment Phase Outputs*

Name	Description
UAT Test Results	Documented results of the UAT
UAT Sign-Off	A Sign-Off from Business users confirming the success of the UAT phase thereby confirming the functionality developed

## Service Deliverables

Microsoft will provide the following Service Deliverables. Those that require formal review and acceptance under the process described in Section 2.3 Service Deliverable Acceptance Process are indicated.

At Development Phase UAT Complete acceptance, there will be a Go-Live Review Meeting to review the readiness of DIDD to release the development phase into production. DIDD will determine the timing to move to production.

Table 25: Deployment Phase Service Deliverables

Name	Description	Acceptance Required (Y/N)
Development Phase 2	<ul style="list-style-type: none"> <li>Enrolment Functionality UAT Complete</li> </ul>	Y
Development Phase 3	<ul style="list-style-type: none"> <li>Service Planning – ISP Functionality UAT Complete</li> </ul>	Y
Development Phase 4	<ul style="list-style-type: none"> <li>Protection from Harm Functionality UAT Complete</li> </ul>	Y
Development Phase 5	<ul style="list-style-type: none"> <li>Service Planning – BSP Functionality UAT Complete</li> </ul>	Y
Development Phase 6	<ul style="list-style-type: none"> <li>Administrator on Duty Functionality UAT Complete</li> </ul>	Y
Development Phase 7	<ul style="list-style-type: none"> <li>Harold Jordan Center Support Functionality UAT Complete</li> </ul>	Y
Go-Live Review Meeting	<ul style="list-style-type: none"> <li>Go/No-Go Decision clearly documented and Deployment checklist is discussed during this meeting</li> </ul>	N
Production Solution (Dynamics CRM)	<ul style="list-style-type: none"> <li>Dynamics CRM Solution that is deployed and operating in post release target environment after UAT signoff is completed.</li> <li>Dynamics CRM Solution that is deployed and operating in production. Final code provided to TN DIDD</li> </ul>	N

## 2.1.5 Operate Phase

The Operation Phase defines the activities that are required to close the project, provide post production support, and transition the solution and knowledge to the customer. Key objectives of this phase include providing post go-live support, transitioning the solution to support, performing and providing project closure document.

Table 26: Operate Phase

Category	Description
Microsoft Activities	<ul style="list-style-type: none"> <li>Project Closure Report</li> <li>Transition to Support</li> <li>Provide functional Post Go-Live Support for a period of 2 weeks after go-live for 80 hours</li> </ul>
Customer Responsibilities	<ul style="list-style-type: none"> <li>Review and Accept Project Closure Report</li> <li>Accept operational responsibility for the Dynamics CRM solution</li> <li>Support and prepare user community</li> </ul>
Exit Criteria	<ul style="list-style-type: none"> <li>Project Closure Report Sign-Off</li> </ul>
Key Assumptions	<ul style="list-style-type: none"> <li>Customer has post go live staff readiness for post operate phase</li> <li>The Operate phase occurs at the conclusion of Development Phase 7</li> </ul>

## Phase Outputs

Microsoft will provide the following items:

*Table 27: Operate Phase Outputs*

Name	Description
Project Closure Report	<ul style="list-style-type: none"> <li>▪ Project Completion Acknowledgement by phase</li> </ul>
3 Month Project Review	<ul style="list-style-type: none"> <li>▪ Project review meeting with the customer 3 months after go live to review business value realization</li> </ul>
6 Month Project Review	<ul style="list-style-type: none"> <li>▪ Project review meeting with the customer 6 months after go live to review business value realization</li> </ul>

## 2.2 Timeline

It is estimated that this engagement will be performed according to the timeline depicted below. The actual timeline for this engagement will be relative to the project start date and all dates and durations provided are estimates only.

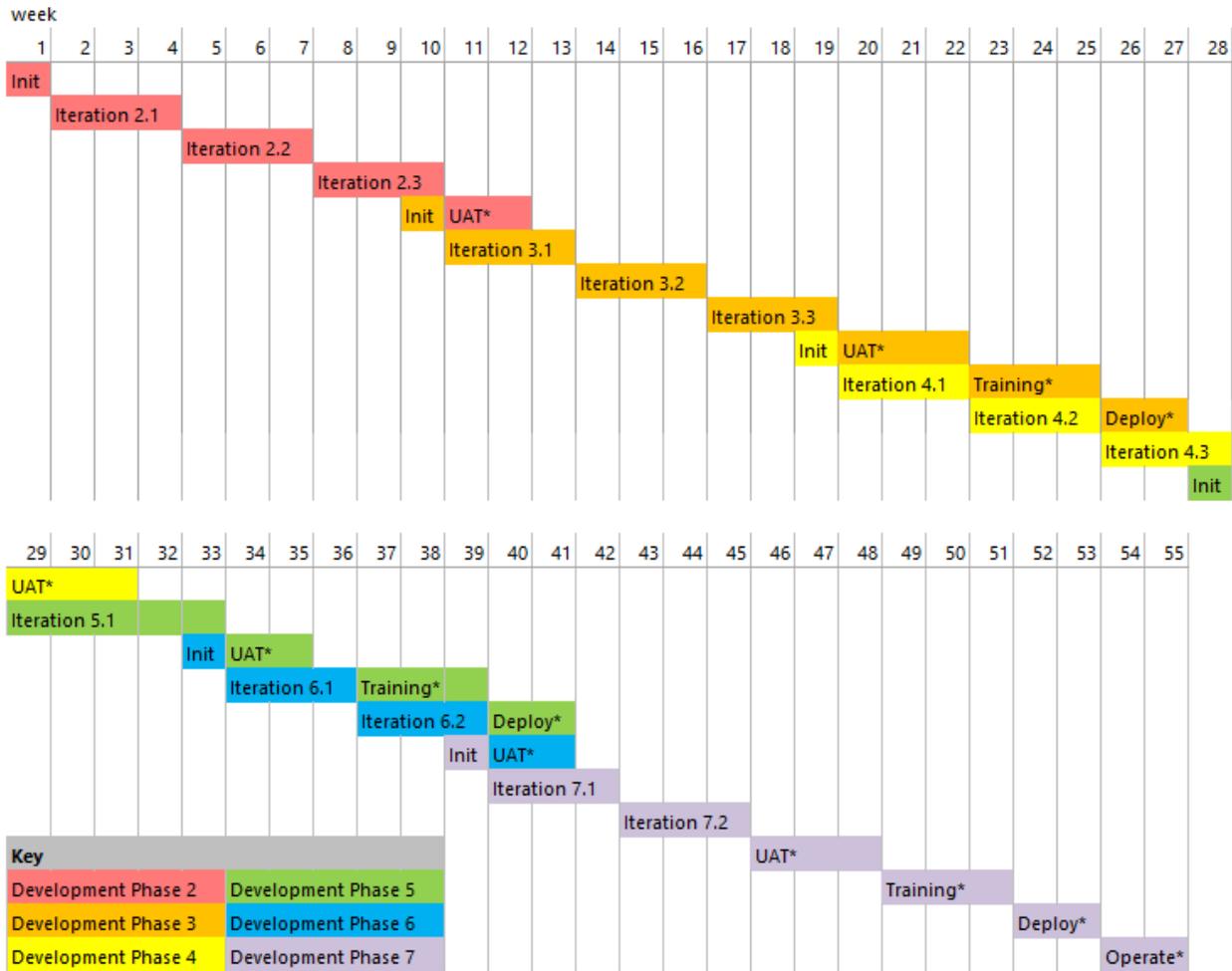


Figure 2: Project Timeline

## 2.3 Service Deliverable Acceptance Process

At specified milestones throughout the project, Microsoft will submit completed project Service Deliverables for Customer's review and approval.

Customer's use or partial use of a Service Deliverable will constitute acceptance of that Service Deliverable. Customer may provide its acceptance and/or rejection of deliverables electronically via email.

Within five (5) business days from the date of submittal, Customer must either:

- (i) Accept the Service Deliverable by signing, dating and returning the Service Deliverable Acceptance Form, or

- (ii) Provide a written notice rejecting the Service Deliverable, including a single and complete list describing every reason for rejection.

Service Deliverables shall be deemed accepted unless Customer provides a timely, written rejection notice as described above.

Microsoft will correct problems with a Service Deliverable that are identified in the written rejection notice, as described above, and within the scope of this Statement of Work, after which the Service Deliverable will be deemed accepted.

Issues that are outside the scope of this Statement of Work and feedback provided after a Service Deliverable has been deemed accepted will be addressed as a potential change of scope pursuant to the Change Management process outlined in this SOW.

## Functioning Components or Solution Deliverable(s)

The functioning solution is typically comprised of configured commercial software and custom source code and associated objects. Review and acceptance of the solution or custom source code, for this SOW only, is based on completion / sign off of the User Acceptance Test in Section 1.2.7

## 2.4 Project Governance Approach

This section outlines the project governance structure and processes the Microsoft Team will adhere to for this engagement.

### 2.4.1 Communication Plan

The following will be used to provide formal communication during the course of the project:

- The Microsoft Iteration Manager, working in conjunction with the Customer Project Manager, will document a Communication Plan as part of the Master Project Management Plan and will compile weekly status reports for distribution to both Customer and Microsoft management.
- Weekly status meetings will be held to review the project's overall status, the acceptance of deliverables, the project schedule, and open issues noted in the status report.
- An Executive Steering Committee will conduct monthly meetings and produce status reports pursuant to Section 2.4.4, below.

## 2.4.2 Issue/Risk Management Procedure

The following general procedure will be used to manage active project issues and risks during the project:

- **Identify:** Identify and document project issues (current problems) and risks (potential events that impact the project)
- **Analyze & Prioritize:** Assess the impact and determine the highest priority risks and issues that will be managed actively
- **Plan & Schedule:** Decide how high-priority risks are to be managed and assign responsibility for risk management and issue resolution
- **Track & Report:** Monitor and report the status of risks and issues and communicate issue resolutions
- **Control:** Review the effectiveness of the risk and issue management actions

Active issues and risks will be monitored and reassessed on a weekly basis.

## 2.4.3 Change Management Process

During the project, either party may request in writing additions, deletions, or modifications to the services described in this SOW ("change"). We shall have no obligation to commence work in connection with any change until the estimated fee and schedule impact of the change is agreed upon in a written change request signed by the authorized signatories from both parties.

Within five (5) consecutive business days of receipt of the proposed change request, you shall either indicate acceptance of the proposed change by signing the change request or advise us not to perform the change. If you advise us not to perform the change, then we shall proceed only with the original services. In the absence of your acceptance or rejection within the timeframe noted, we will not perform the proposed change.

Any change that results in a net increase in price will be based on one of the following: an increase in scope not included in this SOW; or any unforeseen conditions that impact price that neither party could reasonably have known before the engagement. Any of these changes will require a change order and contract modification signed by authorized officials of both parties. Changes in contract terms that impact the total price, or an extension of the contract end date also will require a contract modification signed by authorized officials of both parties.

## 2.4.4 Executive Steering Committee

Overall senior management oversight and strategic direction for this project will be provided by an Executive Steering Committee, which will consist of the following key executive business sponsors and project management representatives:

*Table 28: Steering Committee Composition*

Name	Representing	Title
Lance Iverson	TN DIDD	Project Sponsor and Deputy Commissioner
Russell Nicoll	TN DIDD	CIO
James Prestridge	TN DIDD	Deputy CIO
Holly Cummins	TN DIDD	Project Manager
David Young	TN DIDD	Application Architect
Steve Lundwall	TN DIDD	Innovative Projects Director
Joe Michelotti	Microsoft	Delivery Management Manager
Tammy Watson-Schram	Microsoft	Senior Engagement Manager
Ron Herd	Microsoft	Account Manager
John Plunkett	Microsoft	Services Executive
Drew Gervino	Microsoft	CRM Lead Architect

The Executive Steering Committee will hold meetings and produce meeting minutes on a **monthly** basis. If needed, Microsoft and TN DIDD can meet on an ad hoc basis. Customer and Microsoft Managers will share joint responsibility for reporting to the Steering Committee.

The Executive Steering Committee is responsible for the following:

- Making decisions on project strategic direction
- Serving as the final arbiter of Project issues (refer to the Escalation Process)
- Approving significant Change Requests

## 2.5 Project Completion

Microsoft will provide services defined in this SOW to the extent of the funding for hours of services and period of performance specified in the Work Order. If customer requires additional services, a modification to the contract will be executed by the parties adding funding through the Change Management Process.

The project will be considered complete when any of the following conditions is met:

- All of the Service Deliverables identified in Section 2.1 as needing formal acceptance, and any Change Requests accepted pursuant to the Change Management Process defined in this SOW are delivered and accepted or deemed accepted; or

- The Work Order is terminated pursuant to the provisions of the agreement.

### 3 Project Organization and Staffing

#### 3.1 Project Organization Structure

This section describes the overall project organization structure, reporting relationships, and key project roles.

The project will be organized as depicted in the following diagram.

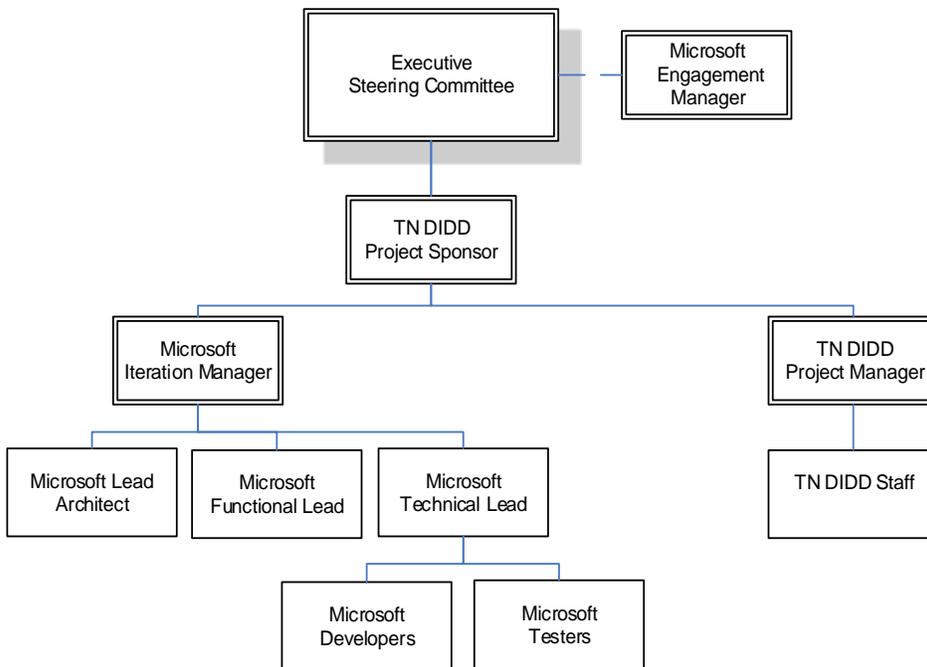


Figure 3: Project Organization Structure

#### 3.2 Project Roles and Responsibilities

This section provides a brief description of key project roles and responsibilities.

##### 3.2.1 Customer Project Roles and Responsibilities

Table 29: Customer Roles and Responsibilities

Role	Responsibilities	Project Commitment
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Customer Project Sponsor	<ul style="list-style-type: none"> <li>▪ Makes key project decisions, serves as a point of escalation and clears project roadblocks</li> </ul>	Part-time
Customer Project Manager	<ul style="list-style-type: none"> <li>▪ Primary point of contact for Microsoft team</li> <li>▪ Responsible for managing and coordinating the overall project and delivering to schedule</li> <li>▪ Responsible for Customer resource allocation, risk management, project priorities, and communication to executive management</li> <li>▪ Coordinates decisions within three (3) business days, or otherwise agreed timeline</li> </ul>	Full-time
Technical Team Lead	<ul style="list-style-type: none"> <li>▪ Primary technical point of contact for the team that is responsible for technical architecture and code deliverables</li> </ul>	Full-time
Lead Business Analyst	<ul style="list-style-type: none"> <li>▪ Primary functional point of contact for the team that is responsible for functional business analysis</li> </ul>	Full-time
Test Lead	<ul style="list-style-type: none"> <li>▪ Overall Test Lead for DIDD who is responsible for the development of test cases and for conducting the user acceptance testing after each development phase</li> </ul>	Full-time
Testers	<ul style="list-style-type: none"> <li>▪ Subject Matter Experts who will participate in demonstration workshops at the end of each iteration, assist with the development of test cases, and participate in user acceptance testing</li> </ul>	Part-time

### 3.2.2 Microsoft Project Roles and Responsibilities

Table 30: Microsoft Roles and Responsibilities

Role	Responsibilities	Project Commitment
Microsoft Engagement Manager	<ul style="list-style-type: none"> <li>▪ Responsible for managing and coordinating the overall Microsoft project</li> <li>▪ Single point of contact for escalations, billing issues, personnel matters, contract extensions</li> <li>▪ Facilitate project governance activities and leading the Executive Steering Committee</li> </ul>	Part-time
Microsoft Iteration Manager	<ul style="list-style-type: none"> <li>▪ Responsible for managing and coordinating the Microsoft project delivery</li> <li>▪ Responsible for issue and risk management, change management, project priorities, and weekly status communication and weekly status meeting</li> </ul>	Full-time

	<ul style="list-style-type: none"> <li>▪ Coordinates only MCS resources, including staffing, task assignments and status reporting</li> </ul>	
Microsoft Lead Architect	<ul style="list-style-type: none"> <li>▪ Responsible for overall solution design</li> <li>▪ Verifies that Microsoft recommended practices are followed</li> </ul>	Part-time
Microsoft Functional Lead	<ul style="list-style-type: none"> <li>▪ Responsible for leading the functional development of the system</li> </ul>	Full-time
Microsoft Technical Lead	<ul style="list-style-type: none"> <li>▪ Responsible for leading the technical development of the system</li> </ul>	Full-time
Microsoft Onshore Coordinator / Developer	<ul style="list-style-type: none"> <li>▪ Responsible for coordinating the offshore team</li> <li>▪ Responsible for assisting with development activities</li> </ul>	Full-time
Microsoft Developers (remote)	<ul style="list-style-type: none"> <li>▪ Responsible for assisting with development activities</li> </ul>	Full-time
Microsoft Testers (remote)	<ul style="list-style-type: none"> <li>▪ Responsible for testing</li> </ul>	Full-time

## 4 General Customer Responsibilities and Project Assumptions

### 4.1 General Customer Responsibilities

In addition to any Customer activities identified elsewhere in this SOW, Customer will perform or provide the following:

1. Ensure availability of all required SMEs
2. Provide suitable work spaces with desks, chairs, telephones.
3. Provide LAN connections giving the Microsoft onsite team access to the Internet and e-mail.
4. Provide access to all necessary Customer work sites, systems logon and passwords as well as material and resources as needed and as advised by us in advance.
5. Assume responsibility for management of all non-Microsoft managed vendors.
6. Provide access with proper licenses to all necessary tools and third party products required for Microsoft to complete its assigned tasks.
7. Acquire and install the appropriate server capacity required to support the environments as defined in the scope section of this SOW.
8. Customer will ensure all non-production CRM environments are available to remote Microsoft team members.
9. Customer will negotiate any agreements or MOU's required with interface providers.

## 4.2 Project Assumptions and Dependencies

In addition to assumptions listed elsewhere in this document, the services, fees, and delivery schedule for this project are based on the following assumptions:

1. The standard work day for the project is between 8:00 AM and 5:00 PM local time where the team is working, Monday through Friday, except for scheduled holidays. The standard work day for Offshore resources will be 8:00 – 5:00 India Standard Time, except where scheduled in advance.
2. In performing services under this SOW and the applicable Work Order, Microsoft will rely upon any instructions, authorizations, approvals, or other information provided by Customer's Project Manager or personnel duly designated by Customer's Project Manager. All estimates regarding fees, timelines and our detailed solution are based on information provided by Customer to date.
3. Microsoft's resources and Microsoft's subcontractors' resources may perform services remotely or on-site from Microsoft facilities, Customer facilities, or Microsoft's partner's facilities.
4. Informal knowledge transfer will be provided throughout the project. Informal knowledge transfer is defined as Customer's staff working alongside Microsoft staff. No formal training materials will be developed or delivered as part of informal knowledge transfer.
5. If the project schedule requires Microsoft's resources and/or Microsoft's subcontractors' resources to perform dedicated services at Customer's site on a weekly basis, Microsoft resources will typically be on-site for 3 nights/4 days; arriving on Mondays and leaving on Thursdays.
6. The Functional Design Document, Technical Design Document, and Systems Integration Design, which have been developed already as part of the TITAN Design Phase, were used as the basis for estimating the level of support required for this engagement. Any changes from the approach and specifications included in these documents will require a change order, and a contract modification if changes impact the total price, scope, or schedule.
7. This project must be preceded by the completion of projects covering the upgrade of the current TITAN environment and Development Phase 1 as governed under the work orders and statements of work for those projects.
8. Any reference to the TITAN Functional Design Document, Technical Design Document, or Systems Integration Design herein refers to those documents which were developed by Microsoft for DIDD as part of the TITAN Design engagement
9. DIDD will be responsible for leading/conducting the UAT phases of each Development cycle. There will be a UAT phase that will be time-boxed for 3 calendar weeks for each Development cycle.

10. DIDD will be responsible for addition and management of any users and configuring them with the proper roles and FLS profiles
11. SharePoint Integration utilizing out of the box functionality in addition to the MCS IP for applying CRM security to SharePoint folders is in place
12. ADFS Integration utilizing out of the box functionality is in place
13. The current CRM system will be upgraded as part of a separate project that must precede this project
14. Development Phase 1 scope will be completed as part of a separate project that must precede this project. This includes the following scope items: Custom auditing solution, Out-of-box SharePoint integration, Deployment of MCS IP for applying CRM security to SharePoint document folders, Optimization of the Intake and Waitlist entities and processes, Implementation of Provider maintenance, and Data migration of Services information

# Microsoft Consulting Services Work Order

(For Microsoft Internal Purposes Only)  
**MCS (WO Type 1-lite)**

**USSLGE-C15114236**

This work order is made pursuant to the Microsoft Master Services Agreement – State and Local **U6270911**, (the “**Agreement**”) effective as of July 30, 2009, by and between the undersigned customer or its affiliate (“**Customer**”) and the undersigned Microsoft affiliate or its affiliate (“**Microsoft**”). The terms of the Agreement are incorporated herein by this reference. Any terms not otherwise defined herein will assume the meanings set forth in the Agreement. This work order is comprised of this cover page and the work order terms below, which are incorporated herein by this reference.

<b>Customer Invoice Information</b>		
Name of Customer <b>Tennessee Department of Intellectual and Developmental Disabilities</b>		Contact Name (This person receives invoices under this work order.) <b>Russell Nicoll</b>
Name of Customer or Affiliate that executed the Agreement if different than the undersigned		
Street Address Citizens Plaza Building 400 Deaderick Street 9 <sup>th</sup> Floor		Contact E-mail Address <a href="mailto:Russell.nicoll@tn.gov">Russell.nicoll@tn.gov</a>
City Nashville	State/Province TN	Phone 615-741-6632
Country USA	Postal Code 37243	Fax
<b>Invoicing</b>		
Microsoft will invoice you for Professional Services performed and expenses incurred. Microsoft invoices for payment will be directed to Customer’s representative for payment at the address shown above. Please indicate a Purchase Order No. (if any):		
<b>Commencement Date</b>		
This work order will commence on the below identified <u>Effective Date</u> . This work order will expire on <b><u>June 30, 2017.</u></b>		

By signing below the parties acknowledge and agree to be bound to the terms of the Agreement and this work order.

<b>Customer</b>	<b>Microsoft</b>
Name of Customer (Please Print) <b>Tennessee Department of Intellectual and Developmental Disabilities</b>	Name <b>Microsoft Corporation</b>
Signature	Signature C5F4FFFE6A2E45D <i>David T. Gallagher</i>
Name of person signing (Please Print)	Name of person signing (Please Print) David T. Gallagher
Title of person signing (Please Print)	Title of person signing (Please Print) Director of Contracts
Signature date	Effective Date 2/24/2016

1. **Services.** Microsoft will perform for Customer the Professional Services identified in the attached Exhibit A Statement of Work entitled “*TITAN Development – Enrollment, Service Planning, and Protection from Harm*”, and dated February 17, 2016. Any dates provided are estimates only

Microsoft resources and Microsoft subcontractors’ resources may perform Professional Services remotely or on-site from Microsoft facilities, Customer facilities, or Microsoft partners’ facilities.

If the project schedule requires Microsoft resources and/or Microsoft subcontractors’ resources to perform dedicated Professional Services at Customer site on a weekly basis, Microsoft will apply the following travel guidelines:

- Resources will typically be on-site for 3 nights/4 days; arriving on Mondays and leaving on Thursdays.
- Resources may stretch their daily work plan in order to accommodate project’s weekly activities within those 4 days.
- As needed, resources may perform project activities working remotely on Fridays.

2. **Fees.** Customer will pay the fixed fees set forth below for Professional Services performed under this work order. The fees do not include fees for Products. Unless otherwise specified in the invoice, Customer will pay Microsoft within 30 calendar days of the date of the Microsoft invoice.

Service Milestone Event	Milestone Completion Estimated Dates	Percentage	Fixed Fee
Dev Phase 2 - UAT Complete	July 22, 2016	20.17	\$ 920,000
Dev Phase 3 - UAT Complete	October 14, 2016	21.27	\$ 970,000
Dev Phase 4 - UAT Complete	December 9, 2016	15.78	\$ 720,000
Dev Phase 5 - UAT Complete	January 27, 2017	13.7	\$ 625,000
Dev Phase 6 - UAT Complete	March 31, 2017	13.7	\$ 625,000
Dev Phase 7 - UAT Complete	May 19, 2017	15.38	\$ 701,778
<b>TOTAL FIXED PRICE</b>		<b>100</b>	<b>\$ 4,561,778</b>

3. **Staffing Impacts:** The Agreement requires Customer to provide Microsoft with at least 30 day’s notice of any intent to cancel this work order. If Customer cancels this work order without providing the required notice, Microsoft will make reasonable efforts to implement a 2-4 week transition period to conduct knowledge transfers, risk identification, ramp down and other associated tasks for which Customer agrees to continue to pay Microsoft hourly rates and any reasonable out of pocket travel and living expenses.
4. **Cost or pricing data.** Microsoft will not, under any circumstances, accept or perform any Professional Services that would require the submission of cost or pricing data.
5. **Attachments.** The following exhibits are attached and incorporated herein:
1. Exhibit A, “*TITAN Development – Enrollment, Service Planning, and Protection from Harm*”, and dated February 17, 2016,.
  2. Exhibit B, “*Functional Specifications Document*”, Published: October 19, 2015. Updated: December 16, 2015.
  3. Exhibit C, “*Technical Design Document*”, Published November 13, 2015. Updated: December 17, 2015.
  4. Exhibit D, “*Systems Integration Document*”, Published: November 13, 2015. Updated: December 14, 2015.