

CONTRACT #5
RFS # 349.01-00294
Edison # Pending

**Department of Safety and
Homeland Security
Driver Services**

VENDOR:
Fast Enterprises, LLC



October 16, 2015

Krista Lee, Director
Fiscal Review Committee
Rachel Jackson Building, 8th Floor
320 Sixth Avenue North
Nashville, TN 37243

Mike Perry, Chief Procurement Officer
Central Procurement Office
Department of General Services
Tennessee Tower, 3rd Floor
Nashville, TN 37243

Justin P. Wilson, Comptroller of Treasury
Comptroller Procurement Compliance
Suite 1400, James K. Polk Building
505 Deaderick Street
Nashville, TN 37243-1402

RE: Request to Contract with Fast Enterprises, LLC for Additional System Components

Dear Director Spaulding, CPO Perry, and Comptroller Wilson:

The Department of Safety and Homeland Security ("TDOSHS") is requesting sole source approval of a two and one-half (2.5) year contract with Fast Enterprises, LLC for the development and implementation of a Driver's License Knowledge Testing System and Handgun e-services system to be integrated with our new State of Tennessee Driver Licensing System, Automated License Issuance System for Tennessee ("A-List").

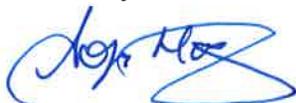
The current knowledge testing system has been in place for well over ten years. Technological changes during this time have made the current system incompatible with the hardware and software available today. This has made it extremely expensive to support from a hardware perspective and from a security perspective the current system is highly susceptible to fraud. The Department also wishes to have the current Handgun e-Services system redesigned and moved into the same e-Service site that customers currently utilize to renew driver licenses, identification cards and update address information. The current Handgun e-Services functionality is hosted by a separate vendor and is limited in that it does not provide the customer with the ability to renew handgun permits or request a duplicate permit online. These services today can only be obtained by visiting a driver service center. By combining Handgun e-Services with Driver Service e-Services and enhancing the services

provided, our customers will have a one-stop site for all Safety issuance needs. Like the integration of knowledge testing, this integration of Handgun e-Services will utilize technology to reduce costs and improve the customer experience. Using the same vendor who currently maintains the Driver Service e-Services site will further assure a successful implementation and will allow the leverage of existing infrastructure, providing further cost efficiencies.

The proposed maximum liability of this new procurement is \$2,800,000.00.

The Department of Safety and Homeland Security respectfully submits the above referenced procurement for consideration and approval.

Sincerely,



Sonya Hadley
Budget Director

cc: Kippine Smith, Procurement Supervisor
Sandra Braber-Grove, Assistant General Counsel

Supplemental Documentation Required for
Fiscal Review Committee

*Contact Name:	Kippine Smith	*Contact Phone:	615-251-5238		
*Presenter's name(s):	Michael Hogan, Paul Battenfield, Lisa Knight, Sandra Braber-Grove				
Edison Contract Number: <i>(if applicable)</i>	N/A	RFS Number: <i>(if applicable)</i>	34901-00294		
*Original or Proposed Contract Begin Date:	1/1/2016	*Current or Proposed End Date:	6/30/2018		
Current Request Amendment Number: <i>(if applicable)</i>	N/A				
Proposed Amendment Effective Date: <i>(if applicable)</i>	N/A				
*Department Submitting:	Safety and Homeland Security				
*Division:	Driver Services				
*Date Submitted:	10/16/2015				
*Submitted Within Sixty (60) days:	Yes				
<i>If not, explain:</i>					
*Contract Vendor Name:	Fast Enterprises				
*Current or Proposed Maximum Liability:	\$2,800,000.00				
*Estimated Total Spend for Commodities:	N/A				
*Current or Proposed Contract Allocation by Fiscal Year: (as Shown on Most Current Fully Executed Contract Summary Sheet)					
FY: 2016	FY: 2017	FY:	FY:	FY	FY
\$ 1,400,000.00	\$ 1,400,000.00	\$	\$	\$	\$
*Current Total Expenditures by Fiscal Year of Contract: (attach backup documentation from Edison)					
FY:	FY:	FY:	FY:	FY	FY
N/A					
IF Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:			N/A, New Contract		
IF surplus funds have been carried forward, please give the reasons and provide the authority for the carry forward provision:			N/A, New Contract		
IF Contract Expenditures exceeded Contract Allocation, please give the reasons and explain how funding was acquired to pay the overage:			N/A, New Contract		
*Contract Funding Source/Amount:					
State:	\$ 2,800,000.00	Federal:			

Supplemental Documentation Required for
Fiscal Review Committee

<i>Interdepartmental:</i>		<i>Other:</i>	
If “ <i>other</i> ” please define:		N/A	
If “ <i>interdepartmental</i> ” please define:		N/A	
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, New Contract			
Method of Original Award: <i>(if applicable)</i>		N/A, New Contract	
*What were the projected costs of the service for the entire term of the contract prior to contract award? How was this cost determined?		There were no projected costs. All costs were determined based on a quote provided by the vendor.	
*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.		FAST Knowledge Testing software and Handgun e-services software are tightly integrated into the core FastDS architecture which is currently running TDOSHS A-List System. As an integral part of the current Driver Service system, obtaining these two software systems from this vendor will assure a seamless workflow with complete end-to-end auditing of user activity – eliminating the potential for fraud; reducing complexity by reducing points of failure; and leveraging investment in existing infrastructure thereby reducing costs.	



OIR Pre-Approval Endorsement Request E-Mail Transmittal

TO : Mark Rampey, OIR Contracts
Department of Finance & Administration
E-mail : Mark.Rampey@tn.gov

FROM : Kippine Smith
E-mail : Kippine.K.Smith@tn.gov

DATE : 10/16/2015

RE : Request for OIR Pre-Approval Endorsement

Applicable RFS # 34901-00294

OIR Endorsement Signature & Date:

Chief Information Officer

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

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

Contracting Agency	Safety and Homeland Security
Agency Contact (name, phone, e-mail)	Kippine Smith, Kippine.K.Smith@tn.gov, 615-251-5238
<p>Attachments Supporting Request (mark all applicable)</p> <p>Note: The complete draft procurement document and the applicable documents listed below must accompany this request when submitted to OIR. Special Contract Requests and Amendment Requests without Agency Head signature are acceptable. OIR 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 # 34901-00294

Information Systems Plan (ISP) Project Applicability

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

IT Director/Staff Name Confirming (required): Cheryl Patterson

Applicable – Approved ISP Project# 1001638 and 1001025

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.

The Contractor shall develop and implement a Driver Services Testing System (“DSTS”) and Handgun e-Services Application (“HESA”) that meets the following objectives:

- a) Generates and administers electronic driver examinations for commercial and non-commercial permit or license applicants ;
- b) Securely stores and maintains results of electronic driver examinations;
- c) Securely stores and maintains results of skills tests administered by a State-employed driver service examiners (“Examiner”) or authorized “Third Party Testers”, which are defined as non-State entities that offer skill tests to applicants;
- d) Provides an electronic means by which driver services staff can share information, and view progress of an applicant through the licensing process; and,
- e) Interfaces with the Automated License Issuance System for Tennessee (“A-List”) in order to process to issue physical licenses.
- f) Provides a secure interface that allows customers to submit an application for an initial handgun permit;
- g) Provides the functionality to allow customers to renew handgun permits when appropriate;
- h) Provides the functionality to allow customers to obtain a duplicate handgun permit when appropriate;
- i) Provides the ability to allow customers to track the progress of a submitted application for an original or renewal permit;
- j) Provides an interface for approved handgun schools to pull rosters, enter scores for both skills and knowledge tests, and generate certificates;
- k) Provides an interface for county Sheriffs to enter results from background checks;
- l) Provides an electronic means by which driver services staff can share information, and view progress of an applicant through the permitting process; and,
- m) Interfaces with the Automated License Issuance System for Tennessee (“A-List”) in order to process the issuance of physical permits.

Rule Exception Request

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

<p>APPROVED</p> <hr/> <p>CHIEF PROCUREMENT OFFICER (Required for all Rule Exception Requests)</p>	<p>APPROVED</p> <hr/> <p>COMPTROLLER OF THE TREASURY (ONLY for applicable statutorily required approvals e.g., records, annual report and audit, or monitoring provisions)</p>
Request Tracking #	34901-00249
1. Contract #	TBD
2. Goods or Services Caption	Driver License System Enhancements including replacement of the current driver license knowledge testing system and a handgun carry permit e-Services system
3. Contractor	Fast Enterprises, LLC
4. Contract Period (with ALL options to extend exercised)	30 months
5. Contract Maximum Liability (with ALL options to extend exercised)	\$ 2,800,000.00
6. Rule(s) (for which the exception is requested) Please include citation and written explanation of Rule(s) to be excepted.	Rule 0690-03-01-.17, (1) (1) The purpose of this Rule is to prescribe the necessary and prohibited contract clauses for contracts subject to these Rules. The form and 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.
7. Explanation of Rule Exception Requested	<p>The TDOSHS is requesting the following revisions to the standard contract language of Sections D.18. (Limitation of Contractor's Liability), D.19. (Hold Harmless); and E.7. (Intellectual Property). Please note that while there is a request for a text change to D.18., there is not a request to change the amount of Contractor's Liability.</p> <p>Standard Text of D.18.:</p> <p>D.18. <u>Limitation of Contractor's Liability.</u> In accordance with Tenn. Code Ann. § 12-3-701, the Contractor's liability for all claims arising under this Contract shall be limited to an amount equal to two (2) times the Maximum Liability amount detailed in Section C.1. and as may be amended, PROVIDED THAT in no event shall this Section limit the liability of the Contractor for: (i) intellectual property or any</p>

Contractor indemnity obligations for infringement for third-party intellectual property rights; (ii) any claims covered by any specific provision in the Contract providing for liquidated damages; or (iii) any claims for intentional torts, criminal acts, fraudulent conduct, or acts or omissions that result in personal injuries or death.

Requested Text for D.18.:

D.18. Limitation of Contractor's Liability. In accordance with Tenn. Code Ann. § 12-3-701, the Contractor's liability for all claims arising under this Contract shall be limited to an amount equal to two (2) times the Maximum Liability amount detailed in Section C.1. and as may be amended, PROVIDED THAT in no event shall this Section limit the liability of the Contractor for intentional torts, criminal acts, fraudulent conduct, or omissions that result in personal injuries or death. Contractor shall not be liable to the State for any consequential or incidental damages. Notwithstanding anything in this section to the contrary, any provision or provisions of this section will not apply to the extent they are (it is) finally determined by a court of competent jurisdiction, including appellate review if pursued, to violate the laws or Constitution of the State of Tennessee.

Standard Text of D.19.:

D.19. Hold Harmless. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims, liabilities, losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity which may be injured or damaged as a result of acts, omissions, or negligence on the part of the Contractor, its employees, or any person acting for or on its or their behalf relating to this Contract. The Contractor further agrees it shall be liable for the reasonable cost of attorneys for the State to enforce the terms of this Contract.

In the event of any suit or claim, the Parties shall give each other immediate notice and provide all necessary assistance to respond. The failure of the State to give notice shall only relieve the Contractor of its obligations under this Section to the extent that the Contractor can demonstrate

actual prejudice arising from the failure to give notice. This Section shall not grant the Contractor, through its attorneys, the right to represent the State in any legal matter, as the right to represent the State is governed by Tenn. Code Ann. § 8-6-106.

Requested Text for D.19. -- use the clause as is and add the following text as a third subparagraph:

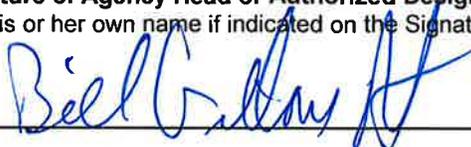
In no event shall the Contractor be required to indemnify and hold harmless the State for damages or injury caused by the State's negligent or wrongful acts or omissions.

Standard Text of E.#. (Intellectual Property):

Intellectual Property. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims or suits which may be brought against the State concerning or arising out of any claim of an alleged patent, copyright, trade secret or other intellectual property infringement. In any such claim or action brought against the State, the Contractor shall satisfy and indemnify the State for the amount of any settlement or final judgment, and the Contractor shall be responsible for all legal or other fees or expenses incurred by the State arising from any such claim. The State shall give the Contractor notice of any such claim or suit, however, the failure of the State to give such notice shall only relieve Contractor of its obligations under this Section to the extent Contractor can demonstrate actual prejudice arising from the State's failure to give notice. This Section shall not grant the Contractor, through its attorneys, the right to represent the State of Tennessee in any legal matter, as provided in Tenn. Code Ann. § 8-6-106.

Requested Text for E.7.:

E.7. Intellectual Property, Copyrights, and Patents. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims or suits which may be brought against the State for infringement of any laws regarding patents or copyrights which may arise from the Contractor's performance of this Contract. In any such action brought against the State, the Contractor shall satisfy and indemnify the State for the amount of any final judgment for infringement. The Contractor further agrees it shall be liable for the reasonable

	<p>fees of attorneys for the State in the event such service is necessitated to enforce the terms of this Contract or otherwise enforce the obligations of the Contractor to the State. The State shall give the Contractor written notice of any such claim or suit and full right and opportunity to conduct the Contractor's own defense thereof. Contractor shall not be liable under this Section for any claim for infringement based on the following:</p> <ol style="list-style-type: none"> a. The State's modification of the Work Product other than as set forth in this Contract, the Work Product or Contractor-Owned Software specifications; b. Use of the Work Product or the Contractor-Owned Software in a manner other than as contemplated in this Contract, Contractor's specifications, or as authorized in writing by the Contractor; and c. Use of the Work Product or the Contractor-Owned Software in combination, operation, or with other products in a manner that does not comply with their specifications, not specified by the Contractor or which the Contractor has not approved in writing; and the State's use of any Contractor-Owned Software source code.
<p>8. Justification</p>	<p>To promote a more competitive procurement for RFP 34901-00156 (Driver License System), the Department asked that vendors submit their requested changes to the <i>pro forma</i> contract for the State to take under advisement upon award. The resulting contract from the RFP (Edison Contract #35930 Fast Enterprises) allowed for the purchase of a new Driver License system with Fast Enterprises being the best evaluated proposer. The State made mutually agreeable changes to the <i>pro forma</i> contract.</p> <p>The contract language modifications included in this request are consistent with the language that was approved for use in Edison Contract #35930 (Fast Enterprises).</p>
<p>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)</p> <p> 10-16-15</p> <hr/> <p>Bill Gibbons, Commissioner DATE</p>	

Special Contract Request

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

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

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

APPROVED	APPROVED
CHIEF PROCUREMENT OFFICER	COMPTROLLER OF THE TREASURY
DATE	DATE

Request Tracking #	34901-00294
1. Contracting Agency	TDOSHS
2. Type of Contract or Procurement Method	<input type="checkbox"/> No Cost <input type="checkbox"/> Revenue <input checked="" type="checkbox"/> Sole Source <input type="checkbox"/> Proprietary <input type="checkbox"/> Competitive Negotiation <input type="checkbox"/> Other _____
3. Requestor Contact Information	Cheryl Patterson, cheryl.patterson@tn.gov, (615) 251-5323 or (615) 509-4120 [cell] Kippine Smith, Kippine.K.Smith@tn.gov (615) 251-5238 or (615) 714-3505 [cell]
4. Brief Goods or Services Caption	Driver License System (A-List) enhancements including replacement of the current driver license knowledge testing system and the e-Services system for handgun carry permit applications.
5. Description of the Goods or Services to be Acquired	The Contractor shall develop and implement both an electronic driver license knowledge testing system and an electronic handgun carry permit application system that are secure and can provide end-to-end auditing of user activity, fraud detection, secure storage and retrievability of data, and the ability to track and produce reports of a variety of activities. The Contractor must ensure that these systems interface with the current driver license system, Automated License Issuance System for Tennessee (A-List), and other systems as needed to process and issue physical driver licenses, permits, and handgun carry permits.
6. Proposed Contractor	Fast Enterprises, LLC

Request Tracking #	34901-00294
7. Name and Address of the Contractor's principal owner(s) – NOT required for a TN state education institution	800 E. Park Blvd., Suite 720; Boise, ID 83712
8. Proposed Contract Period – with ALL options to extend exercised <i>The proposed contract start date shall follow the approval date of this request.</i>	30 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	\$ 2,800,000.00
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?	Quote provided by the vendor
16. Explanation of Fair and Reasonable Price- Explain how agency determined that price is fair and reasonable	Quote from the sole source vendor
17. Documentation of Discussions with Contractor- How did agency document discussions with Contractor? Attach documentation to this request as applicable.	Email

Request Tracking #	34901-00294
18. Explanation of Need for or requirement placed on the State to acquire the goods or services	<p>The current knowledge testing system has been in place for well over ten (10) years. Technological changes during this time have made the current system incompatible with the hardware and software available today. The incompatibility has made it extremely expensive to continue to support the current system from a hardware perspective and from a security perspective since the current system has shown a high susceptibility to fraud. With new technology we will be able to implement a system with a higher level of security, enhanced fraud detection, tracking, and reporting. There is also a desire to have the current Handgun e-Services system redesigned and moved into the same e-Service site that customers currently utilize to renew driver licenses, identification cards and update address information. The current Handgun e-Services functionality is hosted by a separate vendor and is limited in that it does not provide the customer with the ability to renew handgun permits or duplicates online. These services today can only be obtained by visiting a driver service center. By combining Handgun e-Services with Driver Service e-Services and enhancing the services provided, our customers will have a one-stop site for all Safety issuance needs. Like the integration of knowledge testing, the integration of e-Services for handgun carry permits will utilize technology to reduce costs and improve the customer experience. Using the same vendor who currently maintains the Driver Service e-Services site will further assure a successful implementation and will allow the leveraging of existing infrastructure, providing further cost efficiencies.</p>
19. Proposed contract impact on current State operations	None
20. Justification - Specifically explain why the goods or services should be acquired through the procurement method or contract type selected.	<p>Fast Enterprises uses the Fast DS architecture that is currently running the driver license system, Automated License Issuance System for Tennessee (A-List). The requested systems will be tightly integrated into the current A-List system and will assure a seamless workflow with complete end-to-end auditing of user activity which eliminates the potential for fraud, reduces complexity by reducing points of failure, and leveraging investment in existing infrastructure thereby reducing costs and providing cost efficiencies.</p>
For No Cost and Revenue Contracts Only	
21. What costs will the State incur as a result of this contract? If any, please explain.	
22. What is the total estimated revenue that the State would receive as a result of this contract?	
23. Could the State also contract with other parties interested in entering substantially the same agreement? Please explain.	<input type="checkbox"/> NO <input type="checkbox"/> YES

Request Tracking #	34901-00294
24. Summary of State responsibilities under proposed contract	
For Sole Source and Proprietary Procurements Only	
25. Explanation of Need for or requirement placed on the State to acquire the goods or services	Please see response to Item 18.
26. Evidence of Contractor's experience and length of experience providing the goods or services to be procured.	Fast Enterprises has been performing Driver's Licensing and Motor Vehicle implementation projects since 2011, which includes multiple installations of the knowledge testing system. Installations to date that are currently "live" in production include Arkansas (February 2013) and New Mexico (May 2015) with others in progress.
27. Has the contracting agency procured the subject goods or services before? If yes, provide the method used to purchase the goods or services and the name and address of the contractor.	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES, Method: ITB Name/Address: AVC 305 Spring Creek Vig PMB 545 Dallas, TX 75248
28. Contractor selection process and efforts to identify reasonable, competitive, procurement alternatives	The knowledge testing system and the e-Services handgun carry permit application system being sought are tightly integrated into the core FastDS architecture of Fast Enterprises. This architecture is currently running A-List, the State's driver license system. Using the same vendor who currently maintains the driver license system will assure a successful implementation, provide a one-stop site for customers, and allow the leveraging of existing infrastructure which provides cost efficiencies and reduces costs.
Signature Required for all Special Contract Requests	
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)	
Bill Gibbons, Commissioner	DATE



CONTRACT

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

Begin Date 01/01/2016	End Date 6/30/2018	Agency Tracking #	Edison Record ID		
Contractor Legal Entity Name Fast Enterprises, LLC			Edison Vendor ID 162641		
Goods or Services Caption (one line only) Driver License System ("A-List") Enhancements including replacement of the Current Driver License Knowledge Testing System and Handgun e-Services System ("HESS")					
Subrecipient or Vendor <input type="checkbox"/> Subrecipient <input checked="" type="checkbox"/> Vendor		CFDA #			
Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2016	\$1,400,000.00				\$1,400,000.00
2017	\$1,400,000.00				\$1,400,000.00
2018	\$0.00				\$0.00
TOTAL:	\$ 2,800,00.00				\$ 2,800,000.00
Contractor Ownership Characteristics:					
<input type="checkbox"/> Minority Business Enterprise (MBE): African American, Asian American, Hispanic American, Native American					
<input type="checkbox"/> Woman Business Enterprise (WBE)					
<input type="checkbox"/> Tennessee Service Disabled Veteran Enterprise (SDVBE)					
<input type="checkbox"/> 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.					
<input checked="" type="checkbox"/> Other: Not Minority disadvantaged					
Selection Method & Process Summary (mark the correct response to confirm the associated summary)					
<input type="checkbox"/> Competitive Selection		Describe the competitive selection process used			
<input checked="" type="checkbox"/> Other		Sole Source			
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.					
Speed Chart (optional)		Account Code (optional)			

**CONTRACT
BETWEEN THE STATE OF TENNESSEE,
DEPARTMENT OF SAFETY AND HOMELAND SECURITY
AND
FAST ENTERPRISES, LLC**

This Contract, by and between the State of Tennessee, Department of Safety and Homeland Security ("State") and Fast Enterprises, LLC ("Contractor"), is for the provision of the construction, installation, implementation, deployment, maintenance and support of the Driver Services Testing System ("DSTS") and the Handgun e-Services System ("HESS"), 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 Limited Liability Company
Contractor Place of Incorporation or Organization: State of New York
Contractor Edison Registration ID # 162641

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. Development and Implementation of a Driver Services Testing System ("DSTS")

a. The Contractor shall develop and implement a DSTS that meets the following objectives:

- (1) Generates and administers electronic driver examinations for commercial and non-commercial permit or license applicants;
- (2) Securely stores and maintains results of electronic driver examinations;
- (3) Securely stores and maintains results of skills tests administered by State-employed driver service examiners ("Examiner", "Examiners") or authorized "Third Party Testers", which are defined as non-State entities that offer skills tests to applicants;
- (4) Provides an electronic means by which the State's Driver Services staff can share information, and view progress of an applicant through the licensing process; and,
- (5) Interfaces with the Automated License Issuance System for Tennessee ("A-List") in order to process and issue physical licenses.

b. Electronic Knowledge Tests (Commercial and Non-Commercial Driver License)

- (1) The DSTS shall support the following knowledge test process:
 - i. To apply for a permit, an applicant provides identifying information and the required supporting documentation to an Examiner, who would enter the application information into A-List.
 - ii. Once this information is entered, the Examiner shall instruct the applicant to take an electronic knowledge test at one of the knowledge testing kiosks in the "Driver Service Center" defined as a State administered facility that provides driver license services to the public. Each knowledge testing kiosk will run an internet browser-based application.
 - iii. Applicants shall be provided with audio functionality in order to hear the questions and answer options in addition to seeing questions and answer options on the screen of the knowledge testing kiosk.

- iv. The electronic knowledge test shall be designed to confirm that the applicant has an adequate understanding of the State's driver manual by posing random questions on material from each section of the State's driver manual.
- v. Both the order of the questions and the order of the answer options shall be randomized to deter cheating.
- vi. Once the applicant has answered enough questions to either pass or fail the electronic knowledge test, the following shall occur:
 - (a) The electronic knowledge test shall be concluded;
 - (b) The electronic knowledge test and the results shall be automatically recorded in A-List;
 - (c) The applicant shall be instructed to return to the Examiner for further instruction; and
 - (d) The results are automatically made available to the Examiner.
- vii. If the applicant passes the electronic knowledge test, the Examiner shall generate a paper permit from A-List and give it to the applicant.
- viii. If the applicant fails the electronic knowledge test, the applicant may return to the testing facility at a future date to retake an electronic knowledge test. All of applicant's electronic knowledge test history shall be maintained in a consolidated electronic "file" within A-List.

c. Paper-Based Knowledge Tests

- (1) If the need for a paper-based knowledge test arises, the DSTS shall be capable of handling the need in one of two different ways:
 - i. One way is by generating a paper-based knowledge test as follows:
 - (a) The Examiner shall set up a paper-based knowledge test as normal in A-List, but will not assign the knowledge test to a knowledge testing kiosk. Next, the Examiner shall open the randomly generated exam in a separate PDF and then print the PDF.
 - (b) Once the applicant has finished the paper-based knowledge test and turned the paper-based knowledge test in to the Examiner, the Examiner shall open the paper-based knowledge test and manually enter the answers that the applicant selected. The DSTS shall then calculate a pass or fail result depending on the number of correct answers selected by the applicant.
 - ii. An alternate form of supplying a paper-based knowledge test is by not generating a paper-based knowledge test as explained above [Section A.2.c.(1)i] but as follows:
 - (a) If the network goes down, the Examiner will not be able to set up a paper-based knowledge test as normal in A-List. In this scenario, a pre-existing/pre-printed paper-based knowledge test shall be given to the applicant.

- (b) The Examiner will need to manually grade the pre-existing/pre-printed paper-based knowledge test and record the number of questions that were answered incorrectly. The State will decide whether the Examiner informs the applicant of the pre-existing/pre-printed paper-based knowledge test score.
 - (c) Once the network is back up and the DSTS is available, the Examiner will need to enter into the DSTS the number of questions the applicant answered incorrectly. The DSTS will then calculate a Pass or Fail result depending on the number of questions answered incorrectly on the pre-existing/pre-printed paper-based knowledge test.
 - (2) In both of these scenarios described above, when a paper-based knowledge test is completed by an applicant, the paper-based knowledge test must be scanned into the DSTS and made available to view in Filenet.
 - (3) Paper-Based Knowledge Test Requirements:
 - i. The DSTS shall print paper copies of knowledge tests that contain questions with answer options for an applicant. The paper copies shall include any visual image associated with each knowledge test question and answer options.
 - ii. Paper-based knowledge tests shall be generated using the same randomizing process that is used to formulate and present electronic knowledge tests displayed on the screen of the knowledge testing kiosks.
 - iii. Paper copies of knowledge tests shall be printed on eight and one-half inch by eleven inch (8.5" x 11") paper with a font size that is no smaller than fourteen (14) characters per inch.
 - iv. The Examiner shall have the ability to enter the applicant's selected answers into the DSTS and the DSTS shall generate the knowledge test score.
 - v. The DSTS shall provide the ability to print out random paper-based knowledge tests in bulk and allow for the recording of results in the DSTS after applicant's completion of a paper-based knowledge test.
- d. Skills Tests (Non-Commercial Driver License Only)
 - (1) After successfully passing the knowledge test and meeting the minimum requirements as required under Tennessee law to qualify for a driver license, an individual shall schedule a skills test to be performed at a Driver Service Center and administered by a Driver Service Examiner.
 - (2) Once the skills test is performed, the Examiner records the results into the DSTS. The results of the skills test would then be accessible by the State's Driver Services staff, indicating the skills test requirement has been met for the purposes of issuing a driver license.
 - (3) The State's Driver Services staff shall be able to retrieve the electronic file for the applicant and confirm that both the knowledge test and skills test have been successfully completed. As part of the driver license issuance process and not part of the knowledge test and skills test processes, the State's Driver Services staff shall then verify that any remaining license requirements (documentation, PDPS, and so on) have been met. The State's Driver Services staff may also

record any additional information in the applicant's electronic file for future inquiry (see also Section A.2.b.(1)viii).

- (4) With final confirmation, the State's Driver Services staff shall then initiate issuance of the physical driver license through the existing process.
- (5) The DSTS shall:
 - i. Provide a means to electronically record results of the skills test;
 - ii. Eliminate errors resulting from manual re-entry of information;
 - iii. Reduce the risk that an applicant provides fraudulent documentation; and
 - iv. Maintain an electronic history of each step in the permit and licensing process.

e. Core Functional Requirements. The DSTS shall provide the following core functional capabilities:

(1) Available Knowledge Tests and Flexibility to Add New Classes of Knowledge Tests:

- i. The system shall include, as core, the following knowledge tests (see Attachment C):
 - (a) Basic Knowledge Tests;
 - (b) CDL General Knowledge;
 - (c) CDL Combination Vehicle;
 - (d) CDL Air Brakes;
 - (e) CDL Passenger;
 - (f) CDL Doubles/Triples;
 - (g) CDL Tanker;
 - (h) CDL Hazardous Materials;
 - (i) Motorcycle; and
 - (j) School Bus Permit.
- ii. The DSTS shall provide the flexibility to add new classes of knowledge tests.

(2) Language Support:

- i. All Non-Commercial License knowledge tests shall support text translation to multiple languages including, but not limited to: English, Spanish, Korean, Japanese, German and Arabic.
- ii. Commercial License knowledge tests shall be presented in English.
- iii. The system must provide the ability to add other languages as required.
- iv. The system must be able to properly display right to left languages.

(3) Knowledge Test Media:

- i. All Commercial Driver License knowledge tests are given only in English with audio capability.

- ii. All questions and answer options shall allow for audio reading of such text and language. The State shall be responsible for providing the text translation of questions and answer options including corresponding audio files.
- iii. The DSTS shall allow photographs or video clips to be associated with a knowledge test question and/or its associated answer options. The State shall be responsible for providing any photographs, graphics, or video clips while being mindful of applicable copyright laws related to the use of photographs, graphics, or video clips.
- iv. The DSTS shall permit the administrator to upload photographs and video clips and associate each with a specific knowledge test question and/or answer option.
- v. The DSTS shall present photographs and video clips in a consistent format and location on the screen of the knowledge testing kiosk.
- vi. The DSTS must have the capability of enlarging the picture to full screen and then reducing the image to the original size as prompted on the screen of the knowledge testing kiosk and selected by the applicant.

(4) Knowledge Test Items:

- i. The DSTS shall allow an administrator to establish and maintain the questions and answer options for each knowledge test.
- ii. The DSTS shall provide the ability to categorize knowledge test questions.
- iii. Each knowledge test question shall include the question and a variable number of potential answers with only one correct answer.
- iv. The DSTS shall allow an administrator to establish the number of knowledge test items by category and total number of test items for each knowledge test.
- v. Each knowledge test question shall allow for a minimum of three hundred (300) characters of text.
- vi. Each answer option shall allow for a minimum of one hundred fifty-four (154) characters of text.
- vii. Character size shall be no smaller than fourteen (14) characters per inch.

(5) Knowledge Test Audio Requirements. Each knowledge test shall meet the following audio requirements:

- i. Audio shall be available at all knowledge test kiosks.
- ii. Audio shall be conducted with the use of secure listening devices to ensure privacy during testing.
- iii. Audio shall include a volume control feature to enable an applicant to change the volume to a preferred level. It may be acceptable to use the standard machine volume control.
- iv. Audio shall be clear and understandable to the listener.

- v. A digitized voice system shall be used for the audio portion of each knowledge test.
 - vi. Audio shall correspond word for word with the on-screen knowledge test questions and answer options displayed on the screen of the knowledge test kiosk.
 - vii. Audio shall provide each knowledge test question and all potential answer options.
 - viii. Audio shall permit the applicant to repeat any particular knowledge test question and each answer options by touching a specific touch zone on the screen of the knowledge test kiosk (i.e. 'Repeat Question').
 - ix. Audio shall be available in all languages in which an electronic or paper-based knowledge test is available.
 - x. A separate audio media file must exist for each knowledge test question, each answer option, and each answer.
- (6) Presentation Modes. The DSTS shall deliver all knowledge tests in the following three (3) presentation modes:
- i. Electronic – via touchscreen knowledge testing kiosks;
 - ii. Audio – through a listening device attached to the knowledge testing kiosk; and
 - iii. Written – paper and pen knowledge tests produced by a printer.
- (7) Paper-Based Knowledge Test Requirements. See Section A.2.c.
- (8) Randomization. The DSTS shall:
- i. Select test questions from the question bank in a random selection manner for each category, knowledge test type, and language. The question bank is the collection of three hundred (300) questions and four (4) answer options for each question that the State provided to the Contractor for use as acceptable knowledge test questions and acceptable answer options.
 - ii. For each knowledge test type and language, present selected knowledge test questions to applicants in a randomized sequence.
 - iii. For each knowledge test type and language, present answer options to selected questions in a randomized sequence.
 - iv. Be capable of displaying certain pre-specified questions on each and every version of a specific knowledge test type.
 - v. Provide an override to the random feature to allow, via Administrative functions, the Examiner to designate specific sequences for answers. For example: an 'all of the above' answer must always be the last multiple choice answer within a knowledge test question.
- (9) The Monitoring of Knowledge Tests. A Driver Service Examiner shall be able to:
- i. See what knowledge test question an applicant is currently on;

- ii. See how a knowledge test question was answered by an applicant;
- iii. See how long the applicant spent on each knowledge test question;
- iv. Suspend a knowledge test, which will then automatically suspend the knowledge test on the knowledge testing kiosk; and
- v. Un-suspend a knowledge test.

(10) Results of the Knowledge Tests. Details related to the knowledge tests given will be stored within A-List for individual review and overall reporting. Details shall include but are not limited to:

- i. Number of knowledge test questions answered incorrectly and correctly;
- ii. Specific knowledge test questions answered incorrectly and correctly;
- iii. Correct or incorrect answer option chosen by the applicant;
- iv. Total length of time that the applicant used to complete the knowledge test;
- v. Length of time the applicant spent on each individual knowledge test question;
- vi. The applicant's total number of skipped questions; and
- vii. Specific questions skipped by the applicant.

(11) User Interfaces. The DSTS shall meet the following general requirements for the Driver Service Center, the Driver Service Examiner ("Examiner"), and Administrator Capabilities:

- i. General Requirements for the Driver Service Center. In general, each Driver Service Center where knowledge testing will take place shall have knowledge testing kiosk(s) with the following capabilities:
 - (a) Display a standardized initial screen on the knowledge testing kiosk. The screen must be capable of providing a graphic, a message, and a Driver Service Center identifier to aid the Examiner in directing the applicant to the correct knowledge testing kiosk.
 - (b) Be capable of allowing an applicant to take multiple knowledge tests of differing lengths at one setting. For example, when the applicant successfully completes the basic knowledge test, the DSTS will automatically start giving the applicant the next required knowledge test.
 - (c) Display prompts to guide applicants in responding to knowledge test questions. There must be at least three (3) prompts:
 - 1. A prompt instructing the applicant on the correct way to select a knowledge test answer option or respond to a knowledge test item;
 - 2. A prompt confirming when the applicant selects an answer option and providing an option to confirm the answer selection; and

3. An end-of-test prompt telling the applicant that the knowledge test is complete and telling the applicant to report to the Examiner for further information or processing.
- (d) Be capable of accurately and immediately scoring each applicant's knowledge test and recording the results.
- (e) Be capable of simultaneously displaying both text and picture, if applicable, for each knowledge test item.
- (f) Provide clear and concise on-screen instructional procedures that provide applicants with an understanding of how to proceed with a knowledge test.
- (g) Allow knowledge test results from individual knowledge testing kiosks within the Driver Service Center to be electronically stamped with a unique knowledge testing kiosk identifier.
- (h) Automatically ask at least two (2) multiple-choice questions that are specific to the applicant as a means of establishing that the applicant is actually the person taking the test and confirm the responses of the applicant.
- (i) Provide touch screen technology so that the applicant's respond to questions by touching the screen of the knowledge testing kiosk.
- (j) Provide the Applicant with a list of options to either: answer the question, skip the question, or have the question repeated. If the applicant skips a question, the question shall be repeated at the end of the test, but only if additional questions need to be answered in order for the applicant to pass or fail the knowledge test.
- (k) Provide immediate feedback to the applicant as to whether the answer selected was correct or incorrect. If requested by the State, the DSTS should have the ability to, if the Applicant selects an incorrect answer, reveal the correct answer so that the applicant may review it before proceeding on to the next question.
- (l) Be capable of allowing the applicant to enlarge the graphic image to full screen size by touching an on-screen control so that the applicant may study the picture. Once the image is enlarged to full screen, it may be returned automatically to normal size by timer function after five (5) seconds, or by touching the screen again.
- (m) If requested by the State, the DSTS should be capable of displaying to the applicant whether the test has been passed or failed. This display shall also depict the total number of answers that were correct or incorrect at the end of the knowledge test.
- (n) Be designed to prevent an applicant, or other unauthorized person, from having the ability to print out or transmit any aspect of the knowledge testing information contained within a knowledge testing kiosk.

- (o) Transfer to A-List, results of the knowledge test and applicant information and make this information immediately accessible to the Administrator or Examiner.
- (p) Be capable of restarting all knowledge tests within five (5) minutes of the restoration of systems after a power outage. The knowledge test shall start again where the applicant left off when the power outage occurred.

ii. General Requirements for the Driver Service Examiner. Examiners are responsible for assigning each applicant to knowledge tests, monitoring each applicant's progress in each knowledge test, reviewing knowledge tests, printing written knowledge tests, and printing statistical reports. Therefore, each Examiner must have the ability to:

- (a) Retrieve and review results of knowledge tests currently in-progress and knowledge tests previously completed.
- (b) Generate specific reports. At minimum, the DSTS shall be capable of providing a report that shows the percentage correct for each question and be able to correlate it with age, race, and gender demographics.
- (c) Detect if a question has a high miss rate.
- (d) Determine the status of knowledge testing kiosk availability.
- (e) Assign an applicant to a specific knowledge test (or knowledge tests) at any knowledge testing kiosk.
- (f) See a continually updated display of the status and progress of each knowledge test being given at each knowledge testing kiosk. The data displayed must include at least the following:
 1. Knowledge Testing Kiosk Number;
 2. Applicant identifier;
 3. Start Time (of the knowledge test);
 4. Elapsed Time;
 5. Number of questions answered correctly and incorrectly for each knowledge test in-progress;
 6. Number of questions answered correctly and incorrectly, and a pass/fail indicator for completed knowledge tests; and
 7. The names of any other knowledge tests assigned but not started.
- (g) Review all knowledge test questions and answers for any knowledge test being given at the Examiner's Driver Service Center. This information shall be displayed in the order presented in the knowledge test including graphics, the answer selected by the applicant, and the correct answer when different from the selected answer.
- (h) Retrieve (call up) the knowledge test, after the knowledge test is completed, in order to explain why the applicant got a particular question wrong. If the knowledge test was given in a language other than English, the Examiner needs to have the display show both the English language version and the language in which the knowledge test was given.

- (i) Review knowledge test results currently in progress and knowledge tests previously completed. The results of knowledge tests must be available for all knowledge tests completed during the currently day and previous four (4) business days.
 - (j) Cancel, at any time, any knowledge test in progress. All normal statistical data shall be captured for any cancelled knowledge test. In addition, a notation in the data must show that the knowledge test was cancelled before being completed.
 - (k) Manually enter the results of knowledge tests that were given using the paper-based knowledge test process explained in Section A.2.c.
- iii. General Requirements for Administrator Capabilities. Each Administrator acts as the central point of control for the DSTS. Each Administrator will have all the capabilities provided to an Examiner. In addition, each Administrator will be responsible for creating and maintaining knowledge tests and knowledge test items, configuring knowledge test presentations, and providing statistical and audit reports. Each Administrator must have the ability to:
- (a) Create, delete, and modify knowledge test questions and answers to all knowledge tests, including electronic and paper-based knowledge tests. These capabilities shall include the ability to:
 1. Create new knowledge test question types and categories;
 2. Create new knowledge test questions, answer options, and answers;
 3. Modify knowledge test questions, answer options, and answers;
 4. Delete prior knowledge test questions, answer options, and answers;
 5. Define and/or revise the number of questions for a knowledge test;
 6. Define the questions to be used to generate a knowledge test;
 7. Define and review the passing grade for each knowledge test by either percentage or number of questions answered correctly;
 8. Change a graphic associated with a question; and
 9. Set effective dates (beginning and ending) for questions, answer options, and answers.

- (12) Online Training, Online Help, Error Message Integration, Technical Documents and a Frequently Asked Questions (FAQ) Section. The DSTS shall utilize the same levels of help functionality currently available in the driver license system (A-List). This includes but is not limited to online training, online help, error message integration, technical documents, and a FAQ section. The following

sections of Contract Edison ID 35930 (the driver license system contract) are hereby incorporated by reference: A.9. (Error Handling), A.16. (User Interface), A.20. (Training Requirements), and A.21. (Technical Manuals).

A.3. Development and Implementation of a Handgun Carry Permit e-Services System ("HESS")

- a. The Contractor shall develop and implement a Handgun Carry Permit e-Services System ("HESS") that meets the following objectives:
- (1) Provides a secure interface that allows customers who currently hold a Tennessee issued photo driver license or photo identification card to submit an application for an original, renewal, or duplicate handgun carry permit;
 - (2) Provides the ability to automatically issue a handgun carry permit based on established qualifying events;
 - (3) Provides the ability to allow customers to track the progress of a submitted application for an original or renewal handgun carry permit;
 - (4) Provides an interface for approved handgun schools to pull rosters, verify student identification through photo confirmation, enter scores for both skills tests and knowledge tests, and generate Certificates of Completion;
 - (5) Provides an interface for county Sheriffs to enter results from background checks;
 - (6) Provides an electronic means by which the State's Driver Services staff can share information and view progress of an applicant through the handgun carry permit permitting process; and
 - (7) Interfaces with the Automated License Issuance System for Tennessee ("A-List") in order to process the issuance of physical handgun carry permits.
- b. Original Applications for Handgun Carry Permits. The HESS shall support the following handgun carry permit e-services process to apply for a handgun carry permit:
- (1) To apply for a handgun carry permit, an applicant completes an online application which is then stored in the A-List system. Upon completion of the online application, the applicant will receive a confirmation number. This confirmation number will allow the applicant to log into a personal dashboard that reflects the various stages of the application process and the current status of each stage.
 - (2) If the applicant is not exempt from the handgun safety school training requirement, the applicant is required to attend a class at an approved handgun safety school. The School (or Instructor) will log into the HESS and will be provided a dashboard displaying qualified applicants. The School (or Instructor) will check in each applicant as he or she arrives at the school, verifying each applicant's identify based on information provided via the dashboard. Upon completion of the handgun safety school training, the School (or Instructor) will record two (2) sets of scores (Pass/Fail) - one for the skills test and one for the knowledge test. For the applicants that have passed both the skills test and the knowledge test, the School (or Instructor) will print out a Certificate of Completion. The Certificate of Completion will also become part of the application's record in the A-List system.
 - (3) Upon satisfying qualifying pre-requisites, the applicant who has the appropriate identifying paperwork on file may pay the initial fee via the applicant dashboard.

Applicants who are allowed to pay online will be provided a receipt upon confirmation of successful payment.

- (4) For each applicant who does not have the appropriate identifying paperwork, the applicant will go to a Driver Service Center to submit appropriate identifying paperwork and pay the initial fee. The Examiner will be able to retrieve the applicant's record which will provide a copy of the application, scoring information on the skills test and knowledge test, information on the school attended and date attended, and a copy of the Certificate of Completion.
 - (5) Upon receipt of payment, the A-List system will send an electronic notification to the Sheriff located in the applicant's home county to initiate a background check. In addition, the A-List system will, no less than daily, send a file to the authorized fingerprint collection agency containing all applicants who have paid the fee for that day.
 - (6) The Sheriff located in the applicant's home county will log into the HESS and be presented with a dashboard listing all applicants pending background checks for the associated county. The Sheriff will mark either 'Indication of Offense' or 'No Indication of Offense'. The applicants marked 'Indication of Offense' will be flagged in A-List for further review by the State's Handgun Carry Permit Unit. The Sheriff will also have the ability to enter charge information including the level of charge (felony or misdemeanor).
 - (7) A Tennessee Bureau of Investigation (TBI) Name Check file, received on a daily basis via Secure File Transfer Protocol (SFTP), will be processed and the applicant records will be updated with the approval or disapproval status provided for each record. If disapproval is indicated, the record will be flagged in A-List for further review by the State's Handgun Carry Permit Unit.
 - (8) For all handgun carry permit applications that meet all qualifying events, the handgun carry permit will be automatically issued for print and the applicant dashboard will be updated with issue information. A report will be available to the State's Handgun Carry Permit Unit that will outline all handgun carry permits issued in a given time period.
 - (9) For all handgun carry permit applications that require further analysis (those flagged for further review), the HESS will provide an interface for the State's Handgun Carry Permit Unit to review and do one of the following: 1) move applications to the next step; or 2) approve or deny an application. As updates are made, the updates will be reflected on the applicant dashboard.
 - (10) For all handgun carry permit applications that are denied, a system-generated letter will be provided to the application notifying him or her of the decision.
- c. Renewal Applications for Handgun Carry Permits. The HESS shall support the following handgun carry permit e-services process to apply for a renewal handgun carry permit:
- (1) To apply for a renewal handgun carry permit, an applicant completes an online application which is stored in the A-List system. The HESS will allow the handgun carry permit holder to make the payment online utilizing State-approved payment methods.
 - (2) The A-List system will check the applicant's current handgun record to see if a background check has been performed within the last one hundred twenty (120) days. If the background check falls within the one hundred twenty (120) day timeline and the renewal applicant meets all qualifying events, the renewal permit will be issued. If the last background check was outside the one hundred twenty (120) day parameter, a work item will be generated that alerts the State's

Handgun Carry Permit Unit of the need to run a manual National Crime Information Center (NCIC) check.

- (3) A Tennessee Bureau of Investigation (TBI) Name Check file, received on a daily basis via Secure File Transfer Protocol (SFTP), will be processed and the applicant records will contain either an approval or disapproval status for each record. If disapproval is indicated, the record will be flagged in A-List for further review by the State's Handgun Carry Permit Unit.
- (4) For all handgun carry permit renewal applications that meet all qualifying events, the renewal handgun carry permit will be automatically issued for print and the applicant dashboard will be updated with the renewal information. The dashboard will provide the handgun permit holder with the ability to print a renewal receipt. A report will be available to the State's Handgun Carry Permit Unit that outlines all handgun carry permits renewed in a given time period.
- (5) For all handgun carry permit renewal applications that require further analysis (those flagged for further review), the HESS will provide an interface for the State's Handgun Carry Permit Unit to review and do one of the following: 1) move applications to the next step; or 2) approve or deny an application. As updates are made, the updates will be reflected on the applicant dashboard.
- (6) For all handgun carry permit renewal applications that are denied, a system-generated letter will be provided to the applicant notifying him or her of the decision.

d. Applications for Duplicate Handgun Carry Permits. The HESS shall support the following handgun carry permit e-services process to apply for a duplicate handgun carry permit:

- (1) To apply for a duplicate handgun carry permit, a handgun carry permit holder will log into the A-List system using the following criteria: Last Name, Handgun Carry Permit Number, and last four digits of Social Security Number (SSN).
- (2) Upon verification of a valid handgun carry permit, the handgun carry permit holder will make payment online utilizing State-approved payment methods. Upon confirmation of payment, the handgun permit holder will be provided with a receipt.
- (3) The A-List system will check the record of the handgun carry permit holder seeking a duplicate handgun carry permit to see if a background check has been performed within the last one hundred twenty (120) days. If the background check falls within the one hundred twenty (120) day timeline and the handgun carry permit holder seeking a duplicate handgun carry permit meets all qualifying events, the duplicate permit will be issued. If the last background check was outside the one hundred twenty (120) day parameter, a work item will be generated that alerts the State's Handgun Carry Permit Unit of the need to run a manual National Crime Information Center (NCIC) check.
- (4) For all handgun carry permit holders seeking a duplicate handgun carry permit that meet all qualifying events, the duplicate handgun carry permit will automatically be issued for print. A report will be available to the State's Handgun Carry Permit Unit that outlines all duplicate handgun carry permits issued in a given time period.

e. Core Functional Requirements. The HESS shall provide the following core functional capabilities:

- (1) Posting of the following actions to the customer/applicant record in A-List:

- i. Original Applications for Handgun Carry Permits;
 - ii. Renewal Applications for Handgun Carry Permits;
 - iii. Applications for Duplicate Handgun Carry Permits;
 - iv. Payments;
 - v. Information received from local Sheriffs;
 - vi. Information received from the TBI;
 - vii. Information received from Handgun Safety Schools/Instructors and other State-certified Training Facilities;
 - viii. Issuance of the Handgun Carry Permit (original, renewal, or duplicate).
- (2) Ability to place selected items in a work queue for review and processing by the State's Handgun Carry Permit Unit.
 - (3) Ability to submit an original, renewal, or duplicate application online.
 - (4) Ability to track the status of each application.
 - (5) Ability to assign a unique identifier to each application.
 - (6) Ability for the State's Handgun Carry Permit Unit to maintain eligible handgun safety school information for presentation and selection by applicants.
 - (7) Ability for certified handgun safety schools and instructors to verify student identify upon arrival to class, including the viewing of each applicant's photo when available.
 - (8) Ability for certified handgun safety schools and instructors to enter student scores upon the completion of the training (skills test and knowledge test).
 - (9) Ability to limit the time permitted to enter student scores.
 - (10) Ability for the handgun safety schools or instructors to issue Certificates of Completion and store (retain) the Certificates of Completion with each applicant's record for retrieval by the State's Handgun Carry Permit Unit.
 - (11) Ability to track scores for both the skills test and the knowledge test for each applicant.
 - (12) Ability for the county Sheriffs to view the record or application for each applicant that resides in his or her county and update the background check information for each selected applicant.
 - (13) Ability for the State's Handgun Carry Permit Unit to monitor each application through each step of the application process.
 - (14) Ability for the State's Handgun Carry Permit Unit to manually approve or disapprove background checks or handgun carry permit applications (original, renewal, or duplicate) when flagged for further review.
 - (15) Ability to automatically issue handgun carry permits when all defined criteria have been met.
 - (16) Ability to provide reports to the State's Handgun Carry Permit Unit that contain detailed information related to handgun carry permits issued, handgun carry permits requiring further review, and background check or other background reports completed online.
 - (16) User Interfaces. The HESS shall meet the following general requirements for Applicant Capabilities, Handgun Safety School or Instructor Capabilities, Sheriff

Capabilities, and Administrator (the State's Handgun Carry Permit Unit)
Capabilities:

- i. Applicant Capabilities. Each applicant shall have the ability to:
 - (a) Create, online, an application for an original, renewal, or duplicate handgun carry permit.
 - (b) When appropriate, make payment for an original, renewal, or duplicate handgun carry permit.
 - (c) Monitor the status of his or her application whether the application is for an original, renewal, or duplicate handgun carry permit.
 - (d) Print a receipt of his or her application whether the application is for an original, renewal, or duplicate handgun carry permit.
 - (e) Print a payment receipt when payment was made online.
 - (f) Be identified as a permit holder, via a secure method, when accessing the system to check the current status of a pending handgun carry permit application, renew an existing handgun carry permit, or request a duplicate handgun carry permit.
 - (g) See a list of certified handgun safety schools by area and select a specific handgun safety school.
 - (h) Obtain a copy of his or her Certificate of Completion.
- ii. Handgun Safety School or Instructor Capabilities. Each handgun safety school or instructor shall have the ability to:
 - (a) Securely access applicant information (Name, Address, Application Number).
 - (b) View applicant photo when available.
 - (c) Build class schedules and enroll students.
 - (d) Enter scores for both the knowledge test and the skills test for each student.
 - (e) Enter notes and/or comments to a student's record.
 - (f) Print Certificates of Completion for those students who successfully pass the knowledge test and the skills test.
 - (g) Retrieve information related to a class or student if less than six (6) months old.
- iii. Sheriff Capabilities. Each Sheriff shall have the ability to:
 - (a) Securely access application information (Name, Address, Application Number).
 - (b) Enter the status of a background check for a selected individual.
 - (c) Enter notes and/or comments to an applicant's record.

- (d) Produce a list of all appropriate applications that have been provided background check information and other background information for a given date range.
 - (e) Track which records he or she will be paid for and the date paid.
 - iv. Administrator (the State's Handgun Carry Permit Unit) Capabilities. The State's Handgun Carry Permit Unit must have the ability to:
 - (a) Create and maintain certified handgun safety school information.
 - (b) Create and maintain certified handgun safety instructor information.
 - (c) Review all pending applications whether for an original, renewal, or duplicate handgun carry permit.
 - (d) Manually override the handgun safety school reporting period to allow more time for the inputting of student scores.
 - (e) Produce a list of all applicants that have been provided background check information and other background information for a given date range.
 - (f) Manually approve or disapprove an application for an original, renewal, or duplicate handgun carry permit that has been flagged for review.
 - (g) Create reports, by date range, that contain handgun carry permit activity: background checks run by county, applications approved without intervention, applications pending review, duplicate handgun carry permits issued.
 - f. Online Training, Online Help, Error Message Integration, Technical Documents and a Frequently Asked Questions (FAQ) Section. The HESS shall utilize the same levels of help functionality currently available in the driver license system (A-List). This includes but is not limited to online training, online help, error message integration, technical documents, and a FAQ section. The following sections of Contract Edison ID 35930 (the driver license system contract) are hereby incorporated by reference: A.9. (Error Handling), A.16. (User Interface), A.20. (Training Requirements), and A.21. (Technical Manuals).
- A.4. System Components. **The following provisions apply equally to both the DSTS and the HESS unless otherwise noted.**
- a. System Hardware
 - (1) The system shall be hosted on the existing A-List application and database servers currently located within the State's Data Center. The State reserves the right to add, change, reconfigure, consolidate, or eliminate hardware at any time to meet the best interests of the State.
 - (2) The State shall be responsible for the purchase of all client-side hardware and operating system software to be utilized in the Driver Service Centers. The Contractor shall, at no additional cost to the State, assist with configuration and testing of hardware and operating system software at specified State locations (e.g. data centers). The Contractor shall, at no additional cost to the State,

provide, by phone, advisory services, guidance, and assistance with respect to the installation of system and related software in all environments.

- (3) In the event that the Contractor wishes to introduce non-State standard software or hardware components ("products") into the State's technology environment, in support of, or related to the services the Contractor is providing under this Contract, the Contractor must make a formal written request to the State prior to introducing the non-State standard products. Such a request is referred to as a "Non-State Standard Product Request." Non-State Standard Products are defined as any software that is not listed and designated as "Current" in the Tennessee Enterprise Architecture, as amended; or any hardware that is not listed and designated as "Current" in, or is not compatible with standards listed in, the Tennessee Enterprise Architecture, as amended. If the State's Department of Finance and Administration's Office for Information Resources (OIR) disapproves the request, the Contractor agrees to withdraw the request and substitute State Standard Products in place of the Non-State Standard Products at no additional cost to the State. In the event that additional products are required as described herein, the Contractor may be liable to reimburse the State for the cost of these products.

b. Connectivity

The State's client-side hardware shall have network connectivity with the A-List infrastructure and all testing data shall be stored directly on the A-List system database servers currently located within the State's Data Center, thus eliminating the need for local servers at each Driver Service Center.

A.5. Security. **The following provisions apply equally to both the DSTS and the HESS unless otherwise noted.**

- a. System security shall be compliant with all Tennessee data security policies in effect at the time of implementation. System security shall be compliant with Tennessee Enterprise Information Security Policies (see Attachment E). Data Access and Access Control will be incorporated into the existing security functionality provided by the A-List system. This includes the ability to block the display of selected data elements, track user login/logout and track each driver record accessed by the user.
- b. If any data is stored, even temporarily, at remote locations or cached in a testing workstation or device, there must be a process for automatically purging the data on a regular, immediate basis.
- c. Fraud Detection
 - (1) The system shall utilize fraud management capabilities provided by the A-List system to track fraudulent activity such as:
 - i. Visits to multiple Driver Service Centers to take knowledge tests on the same day [applies only to the DSTS];
 - ii. Frequency of knowledge tests taken [applies only to the DSTS];
 - iii. Multiple handgun carry permit applications submitted by the same applicant [applies only to the HESS]; and
 - iv. Unusual volume of activity.
- d. The system shall allow authorized users to flag applicants who have initiated a knowledge test but have subsequently discontinued the process. Further, the system

shall provide the Examiner the ability to enter a reason why the test was discontinued. This flag must be visible to all Driver Service Centers [applies only to the DSTS].

- e. The system shall allow authorized users to flag applicants who have initiated a handgun carry permit application (original, renewal, or duplicate), but have discontinued the process. This flag shall be visible to appropriate State employees in the State's Handgun Carry Permit Unit [applies only to the HESS].

A.6. **Project Management. The following provisions apply equally to both the DSTS and the HESS unless otherwise noted.**

- a. The Contractor shall provide Project Initiation and Management.
- b. The Contractor shall conduct an initial kick-off meeting with the State to: 1) review the project's goals; 2) discuss security requirements; 3) review server and network infrastructure environment; 4) discuss roles and responsibilities of project team members; and 5) provide an initial project plan (project work plan).
- c. The Contractor shall build the Contractor's project team, analyze project requirements, and coordinate all resources necessary to ensure that the Contractor meets the obligations of this Contract. The Contractor shall provide weekly status reports to the State's Project Manager and updated project plans to the State as plans change. If any part of the overall driver license system and handgun carry permit system result in the production of a card (driver license, handgun carry permit, learner's permit, and so on) and those services are performed by another State-contracted contractor, the Contractor shall assist and collaborate as necessary to ensure that all systems work together to produce the final end product.
- d. This project will require a full-time business lead from the State to work with the Contractor's project team regarding day to day development requirements, meetings, testing, and constant feedback that is required with an iterative and incremental system development methodology.

A.7. **Testing Requirements. The following provisions apply equally to both the DSTS and the HESS unless otherwise noted.**

- a. The State requires a test system that fully and accurately simulates the production environment in a manner that does not compromise the production database and that fully accommodates testing all facets of the production environment, both pre-implementation and post-implementation phase, including interoperability of all systems in the production environment.
- b. The Contractor shall define proposed test environments and a Test Management Plan that describes its approach to meeting the testing requirements, including:
 - (1) Unit Testing – Unit testing is completely the Contractor's responsibility. The Contractor shall ensure that the system within its control is functional and meets or exceeds test specifications.
 - (2) Integration Testing – The Contractor shall conduct integration testing to ensure that all components including software and hardware work together within the system. This testing (Integration Testing) shall be completed before System Testing may begin.
 - (3) System Testing – The Contractor shall conduct functional testing to ensure that all components of the system environment, including all peripherals and external interfaces, work together. Integration Testing shall be complete before this testing (System Testing) begins. This testing (System Testing) shall be completed before Quality Assurance Testing may begin.

- (4) Stress and Volume (Capacity) Testing – The Contractor shall conduct stress and volume testing to ensure that the system can handle maximum amounts of data and transaction processing and overload testing over a period of time. At a minimum, stress and volume testing should simulate two hundred fifty percent (250%) of the estimated peak number of transactions that would be experienced in the fully rolled-out production system.
 - (5) Quality Assurance Testing – The Contractor shall work with the State to develop a plan identifying all the functionality that shall be tested for quality assurance. The Contractor shall have already performed, completed, and received approval for System Testing before the Quality Assurance testing stage begins.
 - (6) User Acceptance and Pilot Testing (Pilot Testing applies only to the DSTS) – The Contractor shall work with the State to develop a User Acceptance Test Plan that includes Pilot Testing (Pilot Testing applies only to the DSTS) and notify the State in writing when the system is ready for User Acceptance Testing (“UAT”). The Contractor shall develop the UAT scripts (which the State may or may not change and enhance) and track the results of the State staff User Acceptance Testing. The successful completion of this phase indicates that the system is ready for Pilot Testing (Pilot Testing applies only to the DSTS). UAT shall be successfully completed before Pilot Testing (Pilot Testing applies only to the DSTS) can begin. The State staff, Information Technology staff, and the State operations staff shall be involved with the Contractor in this phase of testing. The User Acceptance Test Plan delivered within the first six (6) months of the project shall include test-ready UAT scripts for those components of the system which are known and defined at that point.
 - (7) Pilot Testing (applies only to the DSTS) – The Contractor shall work with the State to develop a Pilot Test Plan to implement the live system at one or more of the State’s Driver Service Centers prior to full implementation of the system. The successful Pilot Testing must occur before rollout of the statewide system can begin (Pilot Testing applies only to the DSTS).
- c. The Contractor shall obtain prior approval for use of any testing tools other than those identified in the Tennessee Technology Architecture. The Contractor has been given a copy of the Tennessee Technology Architecture.
 - d. The Contractor shall put in place a State-approved method to trace test cases to requirements and/or design specifications.
 - e. The Contractor shall put in place a method to track and manage issues discovered during testing that is acceptable to the State. The Contractor shall document this method in the Test Management Plan.
 - f. The Contractor shall implement a method to maintain and manage version control that is acceptable to the State. The Contractor shall document this method in the Configuration Management Plan developed during the design phase of this project.
 - g. The Contractor shall obtain sign-off from the State for each phase of testing before beginning the next phase.
 - h. The Contractor shall obtain, from the State, written approval of the User Acceptance Testing Phase, including Pilot Testing (Pilot Testing applies only to the DSTS), before phased implementation can begin.
 - i. The Test Management Plan shall address the objectives, approach, procedures, and techniques used in each test environment. The Test Management Plan shall also address the environment, including infrastructure safeguards, test condition level and format, source and management of test data (including test data backup and recovery),

test validation procedures, and problem reporting and tracking. The Test Management Plan shall also include instructions for detailed testing of system interfaces resulting in the verification that data was transmitted and received in accordance with functional requirements. The Test Management Plan shall also outline resource requirements that, at a minimum, include information pertaining to personnel, hardware, and testing tools.

- j. System test and end-to-end testing which may include, but is not limited to Quality Assurance Testing and User Acceptance Testing, will require one to two (1-2) State testers to be assigned full time to help test the system.

A.8. **Technical Manuals. The following provisions apply equally to both the DSTS and the HESS unless otherwise noted.**

- a. The Contractor shall provide Technical Manuals that meet the following minimum requirements:
 - (1) The Contractor shall have complete technical manuals which describe the overall aspects of the system configuration, operating instructions, and problem diagnosis of all components and features of the system and the corresponding technical specifications.
 - (2) The Contractor shall maintain comprehensive documentation on all software aspects of the system and will provide to the State electronic copies of said documentation as revisions and changes are made. Documentation will include, but not be limited to, file structure, directory structure, database record layout, workstation architecture, system architecture, registry settings/entries, and services utilized.
 - (3) The Contractor shall provide technical manuals and documentation materials to the State in a standard electronic format.
 - (4) The Contractor shall provide the State the original source code of the Custom-Developed Application Software and updated source code for the Custom-Developed Application Software when any application changes are made to any part of the system. Custom-Developed Application Software source code shall be provided to the State within five (5) business days of implementation into the production environment. The source code, available to the State immediately once it is developed, is stored on the State's A-List code Repository Server.
 - (5) The Contractor shall make all changes to all copies of technical manuals supplied to the State.
 - (6) The Contractor shall grant the State a royalty-free license to reproduce and distribute unlimited additional copies of all technical manuals, documentation, and training material at no expense. However, all technical manuals, documentation and training material that include Contractor materials must be used consistently within the scope of the license provided to the State. A copy of the royalty-free license shall be provided to the State and maintained by the State's Information Technology group.

A.9. **Training Requirements. The following provisions apply equally to both the DSTS and the HESS unless otherwise noted.**

- a. The Contractor shall deliver at least four (4) different levels of training, described below, to the State. Each training level shall be tailored to a specific audience which correlates with the State employees' specific job duties. The Contractor shall deliver initial training courses on all levels during the implementation phase of the project. The time frame and schedule for the Contractor to conduct initial training courses shall be detailed in the State-approved project work plan developed as required in Section A.6.

- b. The following minimum requirements shall apply to each level of training provided by the Contractor:
- (1) While implementing the system, the Contractor shall provide sufficient training on the full use of software;
 - (2) The Contractor shall provide, at no additional cost to the State, a hardcopy user guide and job aid to each student for each level of training. The user guide and job aid shall contain information, procedures, and instructions specific to the system;
 - (3) The Contractor shall provide to the State, at no additional cost to the State, softcopies of all user guides and job aids for each level of training. The Contractor shall grant the State, at no additional cost to the State, a royalty-free license to reproduce and distribute unlimited additional copies of all documentation and training materials. A copy of the royalty-free license shall be provided to the State and maintained by the State's Information Technology group; and
 - (4) The State reserves the right to made audio and video recordings of any and all training sessions, at no additional cost to the State, for later use by the State.
- c. Training Levels. The State requires at least four (4) different levels of training, described below. Published documentation is preferred, but the Contractor may modify and deliver to the State, at no additional cost to the State, handouts, diagrams, graphics, and/or other training aids that have been developed (created) for use with other customers. The four (4) levels of training are as follows:
- (1) System Administrator: This training shall provide the State's technical staff the knowledge necessary to operate and troubleshoot the system;
 - (2) Account Administrator: This training shall cover functions associated with administering user operations of the system, including but not limited to performing periodic functions, creating reports, and implementing new test material;
 - (3) Train-the-Trainer: This training shall provide the knowledge necessary for the State's staff to conduct general end-user training, including tips such as the classroom set-up, instructor's notes, and common student questions. When using the train-the-trainer approach, one to two (1-2) State employees will need to be assigned to the project fulltime once training preparation begins; and
 - (4) General End-User Training: This training shall cover all user functions. This training shall provide the knowledge necessary for all users to perform all system-related job functions. This training shall be delivered to the following individuals:
 - i. All State staff [applies only to the DSTS]; and
 - ii. All State staff, Handgun Safety School Owners, Handgun Safety School Instructors, and Sheriffs [applies only to the HESS].

A.10. Warranty. Contractor represents and warrants that the term of the warranty ("Warranty Period") shall be the greater of the Term of this Contract or any other warranty generally offered by Contractor, its suppliers, or manufacturers to customers of its goods or services. The goods or services provided under this Contract shall conform to the terms and conditions of this Contract throughout the Warranty Period. Any nonconformance of the goods or services to the terms and conditions of this Contract shall constitute a "Defect" and shall be considered "Defective." If

Contractor receives notice of a Defect during the Warranty Period, then Contractor shall correct the Defect, at no additional charge.

Contractor represents and warrants that the State is authorized to possess and use all equipment, materials, software, and deliverables provided under this Contract.

Contractor represents and warrants that all goods or services provided under this Contract shall be provided in a timely and professional manner, by qualified and skilled individuals, and in conformity with standards generally accepted in Contractor's industry.

If Contractor fails to provide the goods or services as warranted, then Contractor will re-provide the goods or services at no additional charge. If Contractor is unable or unwilling to re-provide the goods or services as warranted, then the State shall be entitled to recover the fees paid to Contractor for the Defective goods or services. Any exercise of the State's rights under this Section shall not prejudice the State's rights to seek any other remedies available under this Contract or applicable law.

- A.11. Software Support and Maintenance Warranty. The Contractor shall provide software support and maintenance of both the DSTS and the HESS at no additional cost to the State.
- A.12. System Maintenance and Support Services. After implementation of both the DSTS and the HESS and until termination of this Contract, the Contractor must provide maintenance (e.g. upgrades, enhancements, new releases, and other similar items) and support for all products/services provided as part of the DSTS and the HESS including ongoing unlimited telephone technical support, and problem determination and resolution services. Response and resolution times shall be detailed in the State-approved project work plan developed as required in Section A.6.

The Contractor shall maintain the DSTS and the HESS so that each system operates in conformity with all descriptions and specifications herein or as otherwise provided by the Contractor, including specifications for the performance of all improved or modified versions which the State has been licensed to use. The Contractor must provide for any upgrades to the DSTS and the HESS components at the same time and in the same manner it provides for any upgrades of the Drive License System (A-List; Contract Edison ID 35930).

Maintenance services shall also include the detection and correction of system errors discovered by the State or otherwise made known to the Contractor. The timeframe for correction of system errors shall be detailed in the State-approved project work plan developed as required in Section A.6. Additionally, the Contractor agrees to respond to the State's inquiries regarding the use and functionality of the solution as issues are encountered by DSTS and HESS users.

System Maintenance shall also include all services necessary to assist the State in maintaining the system operational uptime and recovery from system failures.

The Contractor must be proactively monitoring the system and not relying solely on the State to notify the Contractor of system problems.

- A.13. Inspection and Acceptance. The State shall have the right to inspect all goods or services provided by Contractor under this Contract. If, upon inspection, the State determines that the goods or services are Defective, the State shall notify Contractor, and Contractor shall re-deliver the goods or provide the services at no additional cost to the State. If after a period of thirty (30) days following delivery of goods or performance of services the State does not provide a notice of any Defects, the goods or services shall be deemed to have been accepted by the State.

B. TERM OF CONTRACT:

This Contract shall be effective on January 1, 2016 ("Effective Date") and extend for a period of thirty (30) months after the Effective Date, thereby ending on June 30, 2018 ("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 Two Million Eight Hundred Thousand Dollars (\$2,800,000.00) (“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:

Service Description	Amount (per compensable increment)
Milestone 1. Completion and State Approval of Design, Construction, Contractor Testing, and Integration Testing of the Driver Services Testing System (DSTS), including the Project Work Plan and the Test Management Plan (See Sections A.2, A.6., and A.7.) Payable upon the State’s written approval	\$325,000.00
Milestone 2. Completion and State Approval of System Testing, User Acceptance Testing, and Pilot Testing for the DSTS (See Sections A.7.b.(3), A.7.b.(6), and A.7.b.(7)) Payable upon the State’s written approval	\$325,000.00
Milestone 3. Completion of all State Requested Training and Submission of all Required Technical Manuals for the DSTS (See Sections A.8. and A.9.) Payable upon the State’s written approval	\$325,000.00
Milestone 4. Implementation and Acceptance of the DSTS (See Sections A.2. and A.4. through A.13.) Payable upon the State’s written approval	\$325,000.00

Service Description	Amount (per compensable increment)
Milestone 5. Completion and State Approval of Design, Construction, Contractor Testing, and Integration Testing of the Handgun Carry Permit e-Services System (HESS), including the Project Work Plan and the Test Management Plan (See Sections A.3., A.6., and A.7.) Payable upon the State's written approval	\$375,000.00
Milestone 6. Completion and State Approval of System Testing and User Acceptance Testing for the HESS (See Sections A.7.b.(3) and A.7.b.(6)) Payable upon the State's written approval	\$375,000.00
Milestone 7. Completion of all State Requested Training and Submission of all Required Technical Manuals for the HESS (See Sections A.8. and A.9.) Payable upon the State's written approval	\$375,000.00
Milestone 8. Implementation and Acceptance of the HESS (See Sections A.3. through A.13.) Payable upon the State's written approval	\$375,000.00
Software Support and Maintenance (See Sections A.11. and A.12.)	At No Additional Cost to the State
System Maintenance and Support during Contract Term (See Section A.12.)	At No Cost to the State

c. The Contractor shall not be compensated for travel time to the primary location of service provision.

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:

Tennessee Department of Safety and Homeland Security
Fiscal Services
1150 Foster Avenue
Nashville, TN 37243-1000

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: TDOSHS Driver License System
- (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 an "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, all payments to the Contractor, under this or any other contract the Contractor has with the State of Tennessee, shall be made by automated clearing house.
- b. The Contractor shall complete, sign, and present to the State a "Substitute W-9 Form" provided by the State. The taxpayer identification number in the Substitute W-9 Form must be the same as the Contractor's Federal Employer Identification Number or Tennessee Edison Registration ID.

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:

Michael Hogan, Director of Driver Services Division
Tennessee Department of Safety and Homeland Security
1150 Foster Avenue
Nashville, Tennessee 37243
Michael. Hogan@tn.gov
Telephone# (615)251-5140
FAX# (615) 253-2092

The Contractor:

Megan E. Mooney
Fast Enterprises, LLC
800 E. Park Blvd. – Suite 720
Boise, ID 83712
Tel: (303) 773-4828
Fax: (303) 773-4829
Email: MMooney@FastEnterprises.com

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.

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 in a timely or proper manner, or if the Contractor materially violates any terms of this Contract ("Breach Condition"), the State shall have the right to immediately 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 Condition and the State may seek other remedies allowed at law or in equity for breach of this 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 A, 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 Contract. In no event will the State be liable to the Contractor 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 Contract) or otherwise shall under no circumstances exceed the Maximum Liability. This limitation of liability is cumulative and not per incident.

- D.18. Limitation of Contractor's Liability. In accordance with Tenn. Code Ann. § 12-3-701, the Contractor's liability for all claims arising under this Contract shall be limited to an amount equal to two (2) times the Maximum Liability amount detailed in Section C.1. and as may be amended, PROVIDED THAT in no event shall this Section limit the liability of the Contractor for intentional torts, criminal acts, fraudulent conduct, or omissions that result in personal injuries or death. Contractor shall not be liable to the State for any consequential or incidental damages. Notwithstanding anything in this section to the contrary, any provision or provisions of this section will not apply to the extent they are (it is) finally determined by a court of competent jurisdiction, including appellate review if pursued, to violate the laws or Constitution of the State of Tennessee.
- D.19. Hold Harmless. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims, liabilities, losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity which may be injured or damaged as a result of acts, omissions, or negligence on the part of the Contractor, its employees, or any person acting for or on its or their behalf relating to this Contract. The Contractor further agrees it shall be liable for the reasonable cost of attorneys for the State to enforce the terms of this Contract.

In the event of any suit or claim, the Parties shall give each other immediate notice and provide all necessary assistance to respond. The failure of the State to give notice shall only relieve the Contractor of its obligations under this Section to the extent that the Contractor can demonstrate actual prejudice arising from the failure to give notice. This Section shall not grant the Contractor, through its attorneys, the right to represent the State in any legal matter, as the right to represent the State is governed by Tenn. Code Ann. § 8-6-106.

In no event shall the Contractor be required to indemnify and hold harmless the State for damages or injury caused by the State's negligent or wrongful acts or omissions.

- 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. Insurance. Contractor shall provide the State a certificate of insurance (“COI”) evidencing the coverages and amounts specified below. The COI shall be provided ten (10) business days prior to the Effective Date and again upon renewal or replacement of coverages required by this Contract. If insurance expires during the Term, the State must receive a new COI at least thirty (30) calendar days prior to the insurance's expiration date. If the Contractor loses insurance coverage, does not renew coverage, or for any reason becomes uninsured during the Term, the Contractor shall notify the State immediately.

The COI shall be on a form approved by the Tennessee Department of Commerce and Insurance (“TDCI”) and signed by an authorized representative of the insurer. The COI shall list each insurer's national association of insurance commissioners (also known as NAIC) number or federal employer identification number and list the State of Tennessee, Risk Manager, 312 Rosa L. Parks Ave., 3rd floor Central Procurement Office, Nashville, TN 37243 in the certificate holder section. At any time, the State may require the Contractor to provide a valid COI detailing coverage description; insurance company; policy number; exceptions; exclusions; policy effective date; policy expiration date; limits of liability; and the name and address of insured. The Contractor's failure to maintain or submit evidence of insurance coverage is considered a material breach of this Contract.

If the Contractor desires to self-insure, then a COI will not be required to prove coverage. In place of the COI, the Contractor must provide a certificate of self-insurance or a letter on the Contractor's letterhead detailing its coverage, liability policy amounts, and proof of funds to reasonably cover such expenses. Compliance with Tenn. Code Ann. § 50-6-405 and the rules of the TDCI is required for the Contractor to self-insure workers' compensation.

All insurance companies must be: (a) acceptable to the State; (b) authorized by the TDCI to transact business in the State of Tennessee; and (c) rated A- VII or better by A. M. Best. The Contractor shall provide the State evidence that all subcontractors maintain the required insurance or that the subcontractors are included under the Contractor's policy.

The Contractor agrees to name the State as an additional insured on any insurance policies with the exception of workers' compensation (employer liability) and professional liability (errors and omissions) (“Professional Liability”) insurance. Also, all policies shall contain an endorsement for a waiver of subrogation in favor of the State.

The deductible and any premiums are the Contractor's sole responsibility. Any deductible over fifty thousand dollars (\$50,000) must be approved by the State. The Contractor agrees that the insurance requirements specified in this Section do not reduce any liability the Contractor has assumed under this Contract including any indemnification or hold harmless requirements.

The State agrees that it shall give written notice to the Contractor as soon as practicable after the State becomes aware of any claim asserted or made against the State, but in no event later than thirty (30) calendar days after the State becomes aware of such claim. The failure of the State to

give notice shall only relieve the Contractor of its obligations under this Section to the extent that the Contractor can demonstrate actual prejudice arising from the failure to give notice. This Section shall not grant the Contractor or its insurer, through its attorneys, the right to represent the State in any legal matter, as the right to represent the State is governed by Tenn. Code Ann. § 8-6-106.

All coverage required shall be on a primary basis and noncontributory with any other insurance coverage or self-insurance carried by the State. The State reserves the right to amend or require additional endorsements, types of coverage, and higher or lower limits of coverage depending on the nature of the work. Purchases or contracts involving any hazardous activity or equipment, tenant, concessionaire and lease agreements, alcohol sales, cyber-liability risks, environmental risks, special motorized equipment, or property may require customized insurance requirements (e.g. umbrella liability insurance) in addition to the general requirements listed below.

The Contractor shall obtain and maintain, at a minimum, the following insurance coverages and policy limits.

a. Commercial General Liability Insurance

- (1) The Contractor shall maintain commercial general liability insurance, which shall be written on an Insurance Services Office, Inc. (also known as ISO) occurrence form (or a substitute form providing equivalent coverage) and shall cover liability arising from property damage, premises/operations, independent contractors, contractual liability, completed operations/products, personal and advertising injury, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract).
- (2) The Contractor shall maintain bodily injury/property damage with a combined single limit not less than one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) aggregate for bodily injury and property damage, including products and completed operations coverage with an aggregate limit of at least two million dollars (\$2,000,000).

b. Workers' Compensation and Employer Liability Insurance

- (1) For Contractors statutorily required to carry workers' compensation and employer liability insurance, the Contractor shall maintain:
 - i. Workers' compensation and employer liability insurance in the amounts required by appropriate state statutes; or
 - ii. In an amount not less than one million dollars (\$1,000,000) including employer liability of one million dollars (\$1,000,000) per accident for bodily injury by accident, one million dollars (\$1,000,000) policy limit by disease, and one million dollars (\$1,000,000) per employee for bodily injury by disease.
- (2) If the Contractor certifies that it is exempt from the requirements of Tenn. Code Ann. §§ 50-6-101 – 103, then the Contractor shall furnish written proof of such exemption for one or more of the following reasons:
 - i. The Contractor employs fewer than five (5) employees;
 - ii. The Contractor is a sole proprietor;
 - iii. The Contractor is in the construction business or trades with no employees;
 - iv. The Contractor is in the coal mining industry with no employees;

- v. The Contractor is a state or local government; or
 - vi. The Contractor self-insures its workers' compensation and is in compliance with the TDCI rules and Tenn. Code Ann. § 50-6-405.
- c. Professional Liability Insurance
- (1) Professional liability insurance shall be written on an occurrence basis. This coverage may be written on a claims-made basis but must include an extended reporting period or "tail coverage" of at least two (2) years after the Term;
 - (2) Any professional liability insurance policy shall have a limit not less than one million dollars (\$1,000,000) per claim and two million dollars (\$2,000,000) in the aggregate; and
 - (3) If the Contract involves the provision of services by medical professionals, a policy limit not less than two million (\$2,000,000) per claim and three million dollars (\$3,000,000) in the aggregate for medical malpractice insurance.

D.23. Tennessee Department of Revenue Registration. The Contractor shall comply with all applicable registration requirements contained in Tenn. Code Ann. §§ 67-6-601 through 67-6-608. Compliance with applicable registration requirements is a material requirement of this Contract.

D.24. 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.25. Force Majeure. "Force Majeure Event" means fire, flood, earthquake, elements of nature or acts of God, wars, riots, civil disorders, rebellions or revolutions, acts of terrorism or any other similar cause beyond the reasonable control of the Party except to the extent that the non-performing Party is at fault in failing to prevent or causing the default or delay, and provided that the default or delay cannot reasonably be circumvented by the non-performing Party through the use of alternate sources, workaround plans or other means. A strike, lockout or labor dispute shall not excuse either Party from its obligations under this Contract. Except as set forth in this Section, any failure or delay by a Party in the performance of its obligations under this Contract arising from a Force Majeure Event is not a default under this Contract or grounds for termination. The non-performing Party will be excused from performing those obligations directly affected by the Force Majeure Event, and only for as long as the Force Majeure Event continues, provided that

the Party continues to use diligent, good faith efforts to resume performance without delay. The occurrence of a Force Majeure Event affecting Contractor's representatives, suppliers, subcontractors, customers or business apart from this Contract is not a Force Majeure Event under this Contract. Contractor will promptly notify the State of any delay caused by a Force Majeure Event (to be confirmed in a written notice to the State within one (1) day of the inception of the delay) that a Force Majeure Event has occurred, and will describe in reasonable detail the nature of the Force Majeure Event. If any Force Majeure Event results in a delay in Contractor's performance longer than forty-eight (48) hours, the State may, upon notice to Contractor: (a) cease payment of the fees until Contractor resumes performance of the affected obligations; or (b) immediately terminate this Contract or any purchase order, in whole or in part, without further payment except for fees then due and payable. Contractor will not increase its charges under this Contract or charge the State any fees other than those provided for in this Contract as the result of a Force Majeure Event.

- D.26. State and Federal Compliance. The Contractor shall comply with all applicable state and federal laws and regulations in the performance of this Contract.
- D.27. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Tennessee Claims Commission or the state or federal courts in Tennessee shall be the venue for all claims, disputes, or disagreements arising under this Contract. The Contractor acknowledges and agrees that any rights, claims, or remedies against the State of Tennessee or its employees arising under this Contract shall be subject to and limited to those rights and remedies available under Tenn. Code Ann. §§ 9-8-101 - 407.
- D.28. 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.29. 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.30. Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.
- D.31. 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. any amendment to this Contract, with the latter in time controlling over any earlier amendments;
 - b. this Contract with any attachments or exhibits (excluding the items listed at subsections c. through f., below);
 - c. any clarifications of or addenda to the Contractor's proposal seeking this Contract;
 - d. the State solicitation, as may be amended, requesting responses in competition for this Contract;
 - e. any technical specifications provided to proposers during the procurement process to award this Contract; and
 - f. the Contractor's response seeking 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.

- E.3. State Ownership of Goods. The State shall have ownership, right, title, and interest in all goods provided by Contractor under this Contract including full rights to use the goods and transfer title in the goods to any third parties.
- E.4. Ownership of Software and Work Products.
- a. Definitions.
- (1) "Contractor-Owned Software," shall mean commercially available software the rights to which are owned by Contractor, including but not limited to commercial "off-the-shelf" software which is not developed using State's money or resources.
 - (2) "Custom-Developed Application Software," shall mean customized application software developed by Contractor solely for State.
 - (3) "Rights Transfer Application Software," shall mean any pre-existing application software owned by Contractor or a third party, provided to State and to which Contractor will grant and assign, or will facilitate the granting and assignment of, all rights, including the source code, to State.
 - (4) "Third-Party Software," shall mean software not owned by the State or the Contractor.
 - (5) "Work Product," shall mean all deliverables exclusive of hardware, such as software, software source code, documentation, planning, etc., that are created, designed, developed, or documented by the Contractor exclusively for the State during the course of the project using State's money or resources, including Custom-Developed Application Software. If the deliverables under this Contract include Rights Transfer Application Software, the definition of Work Product shall also include such software. Work Product shall not include Contractor-Owned Software or Third-Party Software.
- b. Rights and Title to the Software
- (1) All right, title and interest in and to the Contractor-Owned Software shall at all times remain with Contractor, subject to any license granted under this Contract.
 - (2) All right, title and interest in and to the Work Product, and to modifications thereof made by State, including without limitation all copyrights, patents, trade secrets and other intellectual property and other proprietary rights embodied by and

arising out of the Work Product, shall belong to State. To the extent such rights do not automatically belong to State, Contractor hereby assigns, transfers, and conveys all right, title and interest in and to the Work Product, including without limitation the copyrights, patents, trade secrets, and other intellectual property rights arising out of or embodied by the Work Product. Contractor and its employees, agents, contractors or representatives shall execute any other documents that State or its counsel deem necessary or desirable to document this transfer or allow State to register its claims and rights to such intellectual property rights or enforce them against third parties.

(3) All right, title and interest in and to the Third-Party Software shall at all times remain with the third party, subject to any license granted under this Contract.

c. The Contractor may use for its own purposes the general knowledge, skills, experience, ideas, concepts, know-how, and techniques obtained and used during the course of performing under this Contract. The Contractor may develop for itself, or for others, materials which are similar to or competitive with those that are produced under this Contract.

E.5. State Furnished Property. The Contractor shall be responsible for the correct use, maintenance, and protection of all articles of nonexpendable, tangible personal property furnished by the State for the Contractor's use under this Contract. Upon termination of this Contract, all property furnished by the State shall be returned to the State in the same condition as when received, less reasonable wear and tear. Should the property be destroyed, lost, or stolen, the Contractor shall be responsible to the State for the fair market value of the property at the time of loss.

E.6. Prohibited Advertising or Marketing. The Contractor shall not suggest or imply in advertising or marketing materials that Contractor's goods or services are endorsed by the State. The restrictions on Contractor advertising or marketing materials under this Section shall survive the termination of this Contract.

E.7. Intellectual Property, Copyrights, and Patents. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims or suits which may be brought against the State for infringement of any laws regarding patents or copyrights which may arise from the Contractor's performance of this Contract. In any such action brought against the State, the Contractor shall satisfy and indemnify the State for the amount of any final judgment for infringement. The Contractor further agrees it shall be liable for the reasonable fees of attorneys for the State in the event such service is necessitated to enforce the terms of this Contract or otherwise enforce the obligations of the Contractor to the State. The State shall give the Contractor written notice of any such claim or suit and full right and opportunity to conduct the Contractor's own defense thereof. Contractor shall not be liable under this Section for any claim for infringement based on the following:

a. The State's modification of the Work Product other than as set forth in this Contract, the Work Product or Contractor-Owned Software specifications;

b. Use of the Work Product or the Contractor-Owned Software in a manner other than as contemplated in this Contract, Contractor's specifications, or as authorized in writing by the Contractor; and

c. Use of the Work Product or the Contractor-Owned Software in combination, operation, or with other products in a manner that does not comply with their specifications, not specified by the Contractor or which the Contractor has not approved in writing; and the State's use of any Contractor-Owned Software source code.

E.8. Partial Takeover of Contract. The State may, at its convenience and without cause, exercise a partial takeover of any service that the Contractor is obligated to perform under this Contract, including any service which is the subject of a subcontract between Contractor and a third party (a "Partial Takeover"). A Partial Takeover of this Contract by the State shall not be deemed a

breach of contract. The Contractor shall be given at least thirty (30) days prior written notice of a Partial Takeover. The notice shall specify the areas of service the State will assume and the date the State will be assuming. The State's exercise of a Partial Takeover shall not alter the Contractor's other duties and responsibilities under this Contract. The State reserves the right to withhold from the Contractor any amounts the Contractor would have been paid but for the State's exercise of a Partial Takeover. The amounts shall be withheld effective as of the date the State exercises its right to a Partial Takeover. The State's exercise of its right to a Partial Takeover of this Contract shall not entitle the Contractor to any actual, general, special, incidental, consequential, or any other damages irrespective of any description or amount.

- E.9. Unencumbered Personnel. The Contractor shall not restrict its employees, agents, subcontractors or principals who perform services for the State under this Contract from performing the same or similar services for the State after the termination of this Contract, either as a State employee, an independent contractor, or an employee, agent, subcontractor or principal of another contractor with the State.
- E.10. Personally Identifiable Information. While performing its obligations under this Contract, Contractor may have access to Personally Identifiable Information held by the State ("PII"). For the purposes of this Contract, "PII" includes "Nonpublic Personal Information" as that term is defined in Title V of the Gramm-Leach-Bliley Act of 1999 or any successor federal statute, and the rules and regulations thereunder, all as may be amended or supplemented from time to time ("GLBA") and personally identifiable information and other data protected under any other applicable laws, rule or regulation of any jurisdiction relating to disclosure or use of personal information ("Privacy Laws"). Contractor agrees it shall not do or omit to do anything which would cause the State to be in breach of any Privacy Laws. Contractor shall, and shall cause its employees, agents and representatives to: (i) keep PII confidential and may use and disclose PII only as necessary to carry out those specific aspects of the purpose for which the PII was disclosed to Contractor and in accordance with this Contract, GLBA and Privacy Laws; and (ii) implement and maintain appropriate technical and organizational measures regarding information security to: (A) ensure the security and confidentiality of PII; (B) protect against any threats or hazards to the security or integrity of PII; and (C) prevent unauthorized access to or use of PII. Contractor shall immediately notify State: (1) of any disclosure or use of any PII by Contractor or any of its employees, agents and representatives in breach of this Contract; and (2) of any disclosure of any PII to Contractor or its employees, agents and representatives where the purpose of such disclosure is not known to Contractor or its employees, agents and representatives. The State reserves the right to review Contractor's policies and procedures used to maintain the security and confidentiality of PII and Contractor shall, and cause its employees, agents and representatives to, comply with all reasonable requests or directions from the State to enable the State to verify and/or procure that Contractor is in full compliance with its obligations under this Contract in relation to PII. Upon termination or expiration of the Contract or at the State's direction at any time in its sole discretion, whichever is earlier, Contractor shall immediately return to the State any and all PII which it has received under this Contract and shall destroy all records of such PII.

The Contractor shall report to the State any instances of unauthorized access to or potential disclosure of PII in the custody or control of Contractor ("Unauthorized Disclosure") that come to the Contractor's attention. Any such report shall be made by the Contractor within twenty-four (24) hours after the Unauthorized Disclosure has come to the attention of the Contractor. Contractor shall take all necessary measures to halt any further Unauthorized Disclosures. The Contractor, at the sole discretion of the State, shall provide no cost credit monitoring services for individuals whose PII was affected by the Unauthorized Disclosure. The Contractor shall bear the cost of notification to all individuals affected by the Unauthorized Disclosure, including individual letters and public notice. The remedies set forth in this Section are not exclusive and are in addition to any claims or remedies available to this State under this Contract or otherwise available at law.

- E.11. Software License Warranty. Contractor grants a license to the State to use all software provided under this Contract in the course of the State's business and purposes.

- E.12. Software Support and Maintenance Warranty. Contractor shall provide to the State all software upgrades, modifications, bug fixes, or other improvements in its software that it makes generally available to its customers.
- E.13. Survival. The terms, provisions, representations, and warranties contained in this Contract which by their sense and context are intended to survive the performance and termination of this Contract, shall so survive the completion of performance and termination of this Contract.

IN WITNESS WHEREOF,

FAST ENTERPRISES, LLC:

CONTRACTOR SIGNATURE

DATE

PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)

TENNESSEE DEPARTMENT OF SAFETY AND HOMELAND SECURITY:

Bill Gibbons, Commissioner

DATE

ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE

SUBJECT CONTRACT NUMBER:	
CONTRACTOR LEGAL ENTITY NAME:	Fast Enterprises, LLC
FEDERAL EMPLOYER IDENTIFICATION NUMBER: (or Social Security Number or <u>Edison Vendor ID</u>)	162641

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