

CONTRACT #3
RFS # 401.00-35114
Edison # 41830

Department of Transportation

VENDOR:
Telvent USA, LLC



**STATE OF TENNESSEE
DEPARTMENT OF TRANSPORTATION**

COMMISSIONER'S OFFICE
SUITE 700, JAMES K. POLK BUILDING
505 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-1402
(615) 741-2848

JOHN C. SCHROER
COMMISSIONER

BILL HASLAM
GOVERNOR

June 8, 2015

Leni Chick, Contract and Audit Coordinator,
Fiscal Review Committee
8th Floor, Rachel Jackson Bldg.
320 Sixth Avenue North
Nashville, TN 37243

RE: Sole Source Amendment Request
Telvent USA, LLC
\$1,437,780.00
7/15/14-7/14/19

Ms. Chick,

The referenced contract provides for the 5-1-1 Travel Information Service for the Tennessee Department of Transportation (TDOT). The Contractor was originally competitively selected through the Request for Proposal process in July, 2009 with the contract being renewed each year through Amendments approved by Fiscal Review. The purpose of this Amendment is to transfer and assign all rights, title and interest in the Contract from Telvent USA, LLC to one of their affiliates, Schneider Electric Mobility NA, Inc..

This package contains the following materials as required by your office:

1. Completed Supplemental Documentation form.
2. A copy of OIR approval.
3. A copy of the Contract Summary Sheet for the Amendment.
4. A copy of the proposed Amendment between TDOT and Schneider Electric Mobility NA, Inc.
5. Copy of the Contract Summary Sheet and original contract showing a contract period of 7/15/14-7/14/19.
6. Special Contract Request submitted to the Central Procurement Office and the Comptroller's office also for approval.

Please advise if you have any questions or comments.

Sincerely,

John C. Schroer
Commissioner

JUN 10 2015

Supplemental Documentation Required for
Fiscal Review Committee

*Contact Name:	Victoria Hassinger	*Contact Phone:	615-532-3508		
*Presenter's name(s):	Paul Degges				
Edison Contract Number: <i>(if applicable)</i>	41830	RFS Number: <i>(if applicable)</i>	40100-35114		
*Original or Proposed Contract Begin Date:	7/15/2014	*Current or Proposed End Date:	7/14/2019		
Current Request Amendment Number: <i>(if applicable)</i>	One (1)				
Proposed Amendment Effective Date: <i>(if applicable)</i>	September 1, 2015				
*Department Submitting:	Department of Transportation				
*Division:	Legal				
*Date Submitted:					
*Submitted Within Sixty (60) days:	Yes				
<i>If not, explain:</i>	N/A				
*Contract Vendor Name:	Schneider Electric Mobility NA, Inc.				
*Current or Proposed Maximum Liability:	\$1,437,720.00				
*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: 2015	FY: 2016	FY: 2017	FY: 2018	FY: 2019	FY
\$ 287,544.00	\$287,544.0	\$287,544.0	\$287,544.00	\$287,544.0	\$
*Current Total Expenditures by Fiscal Year of Contract: (attach backup documentation from Edison)					
FY: 2015	FY:	FY:	FY:	FY	FY
\$ 119,592.22	\$	\$	\$	\$	\$
IF Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:					
IF surplus funds have been carried forward, please give the reasons and provide the authority for the carry forward provision:					
IF Contract Expenditures exceeded Contract Allocation, please give the reasons and explain how funding was acquired to pay the overage:					

Supplemental Documentation Required for
Fiscal Review Committee

*Contract Funding Source/Amount:			
State:	\$23,918.43	Federal:	\$95,673.79
<i>Interdepartmental:</i>		<i>Other:</i>	
If "other" please define:			
If "interdepartmental" please define:			
Dates of All Previous Amendments or Revisions: <i>(if applicable)</i>		Brief Description of Actions in Previous Amendments or Revisions: <i>(if applicable)</i>	
N/A		N/a	
Method of Original Award: <i>(if applicable)</i>		Sole Source Approval	
*What were the projected costs of the service for the entire term of the contract prior to contract award? How was this cost determined?		\$1,437,720.00	
*List number of other potential vendors who could provide this good or service; efforts to identify other competitive procurement alternatives; and the reason(s) a sole-source contract is in the best interest of the State.		None	

Activity Summary

Business Unit:	40100	PO Status:	Dispatched
Purchase Order:	FA1541830A	Vendor:	<u>Telvent USA Holdings LLC</u>
Merchandise Amount:	287,544.00 USD		
Merchandise Receipt:	119,592.22 USD		
Merchandise Returned:	0.00 USD		
Merchandise Invoice:	119,592.22 USD		
Merchandise Matched:	119,592.22 USD		

Lines Customize | Find | View All | | First 1 of 1 Last

Details	Receipt	Invoice	Matched	RTV			
Line	Item	Item Description	UOM	Order Qty	Amount Ordered	Currency	Amount Only
1		5-1-1 Travel Information Servi	EA	1.0000	287,544.000	USD	

Return to Search Notify



OIR Pre-Approval Endorsement Request E-Mail Transmittal

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

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

DATE : June 2, 2015

RE : Request for OIR Pre-Approval Endorsement

Applicable RFS # 40100-35114 (Telvent USA 511 Contract-Edison #41830)

OIR Endorsement Signature & Date:

 (MR) 6/5/15

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	Department of Transportation
Agency Contact (name, phone, e-mail)	Victoria Hassinger, 615-532-3508, Victoria.hassinger@tn.gov
<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</p> <p><input type="checkbox"/> Special Contract Request</p> <p><input checked="" type="checkbox"/> Amendment Request</p> <p><input type="checkbox"/> Proposed Contract/Grant or Amendment</p> <p><input type="checkbox"/> Original Contract/Grant and Previous Amendments (if any)</p>	

Applicable RFS # 40100-35114 (Telvent USA 511 Contract-Edison #41830)

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):

Applicable – Approved ISP Project#

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.

Tennessee 511 Travel Information Service

Amendment Request

This request form is not required for amendments to grant contracts. Route a completed request, as one file in PDF format, via e-mail attachment sent to: Agsprrs.Agsprsr@tn.gov

APPROVED	
CHIEF PROCUREMENT OFFICER	DATE

Agency request tracking #	40100-35114	
1. Procuring Agency	Department of Transportation	
2. Contractor	Telvent USA, LLC	
3. Edison contract ID #	41830	
4. Proposed amendment #	One (1)	
5. Contract's Effective Date	7/15/14	
6. Current end date	7/14/19	
7. Proposed end date	7/14/19	
8. Current Maximum Liability or Estimated Liability	\$ 1,437,720.00	
9. Proposed Maximum Liability or Estimated Liability	\$ 1,437,720.00	
10. Office for Information Resources Pre-Approval Endorsement Request <i>– information technology service (N/A to THDA)</i>	<input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Attached	
11. eHealth Pre-Approval Endorsement Request <i>– health-related professional, pharmaceutical, laboratory, or imaging</i>	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached	
12. Human Resources Pre-Approval Endorsement Request <i>– state employee training service</i>	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached	
13. Explain why the proposed amendment is needed	<p style="text-align: center;">Contractor has gone through an internal reorganization designed to provide consistency and to eliminate brand confusion so they will to transfer and assign all rights, title and interest in the contract to Schneider Electric Mobility NA, Inc.</p>	
14. If the amendment involves a change in Scope, describe efforts to identify reasonable, competitive, procurement alternatives to amending the contract.	N/A	

Agency request tracking #	40100-35114
Signature of agency head or designee and date  JUN 15 2015	



CONTRACT AMENDMENT COVER SHEET

Agency Tracking # 40100-35114	Edison ID 41830	Contract # FA1541830	Amendment # 1		
Contractor Legal Entity Name Schneider Electric Mobility NA, Inc.			Edison Vendor ID		
Amendment Purpose & Effect(s) Name Change					
Amendment Changes Contract End Date: <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO		End Date: 7/14/19			
TOTAL Contract Amount INCREASE or DECREASE per this Amendment (zero if N/A):			0.00		
Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2015					
2016					
2017					
2018					
2019					
TOTAL:					
American Recovery and Reinvestment Act (ARRA) Funding: <input type="checkbox"/> YES <input type="checkbox"/> NO					
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.				<i>CPO USE</i>	
Speed Chart (optional)		Account Code (optional)			

**AMENDMENT ONE
OF CONTRACT FA1541830**

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

1. The following is added as Contract section E. 17:

E.17. Contractor Name. All references to "Telvent USA, LLC" shall be deleted and replaced with "Schneider Electric Mobility NA,."

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

Amendment Effective Date. The revisions set forth herein shall be effective September 1, 2015. All other terms and conditions of this Contract not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF,

SCHNEIDER ELECTRIC MOBILITY NA, INC.:

SIGNATURE

DATE

PRINTED NAME AND TITLE OF SIGNATORY (above)

DEPARTMENT OF TRANSPORTATION:

JOHN C. SCHROER, COMMISSIONER

DATE

**JOHN H. REINBOLD, GENERAL COUNSEL
APPROVED AS TO FORM AND LEGALITY**

DATE



**GENERAL ASSEMBLY OF THE STATE OF TENNESSEE
FISCAL REVIEW COMMITTEE**

320 Sixth Avenue, North – 8th Floor
NASHVILLE, TENNESSEE 37243-0057
615-741-2564

Sen. Bill Ketron, Chairman

Senators

Douglas Henry Reginald Tate
Brian Kelsey Ken Yager
Steve Southerland
Randy McNally, *ex officio*
Lt. Governor Ron Ramsey, *ex officio*

Rep. Mark White, Vice-Chairman

Representatives

Jeremy Faison Joe Pitts
Brenda Gilmore Mark Pody
Matthew Hill David Shepard
Pat Marsh Tim Wirgau
Charles Sargent, *ex officio*
Speaker Beth Harwell, *ex officio*

M E M O R A N D U M

TO: Mike Perry, Chief Procurement Officer
Department of General Services

FROM: Senator Bill Ketron, Chairman
Representative Mark White, Vice-Chairman

DATE: May 5, 2014

SUBJECT: Contract Comments
(Fiscal Review Committee Meeting 5/5/2014)

BK MW

RFS# 401.00-35114 (Edison # Pending)

Department: Transportation

Vendor: Telvent USA, LLC

Summary: The proposed contract is for the provision of 511 Travel Information Service which includes providing real-time statewide traffic and highway information to Tennessee motorists. The proposed contract has a term beginning July 15, 2014, and ending July 14, 2019.

Proposed maximum liability: \$1,437,720

After review, the Fiscal Review Committee vote to recommend approval of the contract.

cc: The Honorable John Schroer, Commissioner



**STATE OF TENNESSEE
DEPARTMENT OF TRANSPORTATION**

COMMISSIONER'S OFFICE
SUITE 700, JAMES K. POLK BUILDING
505 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-1402
(615) 741-2848

JOHN C. SCHROER
COMMISSIONER

BILL HASLAM
GOVERNOR

March 5, 2013

Leni Chick, Contract and Audit Coordinator,
Fiscal Review Committee
8th Floor, Rachel Jackson Bldg.
320 Sixth Avenue North
Nashville, TN 37243

RE: Sole Source Contract Request
Telvent USA, LLC
\$1,137,780.00
7/15/14-7/14/19

Ms. Chick,

The referenced contract provides for the 5-1-1 Travel Information Service for the Tennessee Department of Transportation (TDOT). The Contractor was originally competitively selected through the Request for Proposal process in July, 2009 with the contract being renewed each year through Amendments approved by Fiscal Review. The purpose of this contract is to continue TDOT's 511 service through a Sole Source Contract with Telvent for another five (5) years.

This package contains the following materials as required by your office:

1. Completed Supplemental Documentation form.
2. A copy of OIR approval.
3. A copy of the proposed contract between TDOT and Telvent.
4. Contract Summary Sheet showing a contract period of 7/15/14-7/14/19.
5. Special Contract Request approved by the Central Procurement Office, which has been submitted to the Comptroller's office also for approval

Please advise if you have any questions or comments.

Sincerely,

A handwritten signature in blue ink, appearing to read "John C. Schroer".

John C. Schroer
Commissioner

Supplemental Documentation Required for
Fiscal Review Committee

*Contact Name:	Michael Nichols	*Contact Phone:	615-532-9719		
*Original Contract Number:	N/A	*Original RFS Number:	N/A		
Edison Contract Number: <i>(if applicable)</i>	N/A	Edison RFS Number: <i>(if applicable)</i>	40100-35114		
*Original Contract Begin Date:	July 15, 2014	*Current End Date:	July 14, 2019		
Current Request Amendment Number: <i>(if applicable)</i>	N/A				
Proposed Amendment Effective Date: <i>(if applicable)</i>	N/A				
*Department Submitting:	Department of Transportation				
*Division:	Traffic Operations				
*Date Submitted:					
*Submitted Within Sixty (60) days:	Yes				
<i>If not, explain:</i>					
*Contract Vendor Name:	Telvent USA, LLC				
*Current Maximum Liability:	\$ 1,437,720.00				
*Current Contract Allocation by Fiscal Year: <i>(as Shown on Most Current Fully Executed Contract Summary Sheet)</i>					
FY: 2015	FY: 2016	FY: 2017	FY: 2018	FY: 2019	
\$ 287,544.00	\$ 287,544.00	\$ 287,544.00	\$ 287,544.00	\$ 287,544.00	
*Current Total Expenditures by Fiscal Year of Contract: <i>(attach backup documentation from STARS or FDAS report)</i>					
FY: 2015	FY: 2016	FY: 2017	FY: 2018	FY: 2019	
N/A	N/A	N/A	N/A	N/A	
IF Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:			N/A		
IF surplus funds have been carried forward, please give the reasons and provide the authority for the carry forward provision:			N/A		
IF Contract Expenditures exceeded Contract Allocation, please give the reasons and explain how funding was acquired to pay the overage:			N/A		

Supplemental Documentation Required for
Fiscal Review Committee

*Contract Funding Source/Amount:	State (20%):	\$ 287,544.00	Federal (80%):	\$ 1,150,176.00
Interdepartmental:			Other:	
If "other" please define:				
Dates of All Previous Amendments or Revisions: <i>(if applicable)</i>		Brief Description of Actions in Previous Amendments or Revisions: <i>(if applicable)</i>		
Method of Original Award: <i>(if applicable)</i>		RFP Competitive Bid		
*What were the projected costs of the service for the entire term of the contract prior to contract award?		\$ 1,437,720.00		



OIR Pre-Approval Endorsement Request E-Mail Transmittal

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

FROM : Mark Patterson, Information Systems Manager 3
 Information Technology Division
 E-mail : Mark.D.Patterson@tn.gov

DATE : 01/17/2014

RE : Request for OIR Pre-Approval Endorsement

Applicable RFS # 40100-35114
OIR Endorsement Signature & Date:
 Chief Information Officer
2/4/14
<i>NOTE: Proposed contract/grant support is applicable to the subject IT service technical merit.</i>

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

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

Contracting Agency	Tennessee Department of Transportation
Agency Contact (name, phone, e-mail)	Mark Patterson 615-532-3010 Mark.D.Patterson@tn.gov
Subject Procurement Document (mark one)	
<input type="checkbox"/> RFP	<input checked="" type="checkbox"/> Contract
<input type="checkbox"/> Competitive Negotiation Request	<input type="checkbox"/> Contract Amendment
<input type="checkbox"/> Alternative Procurement Method Request	<input type="checkbox"/> Grant
<input checked="" type="checkbox"/> Non-Competitive Contract Request	<input type="checkbox"/> Grant Amendment
<input type="checkbox"/> Non-Competitive Amendment Request	

Information Systems Plan (ISP) Project Applicability

Not Applicable to this Request

Applicable-- ISP Project #

Response Confirmed by IT Director (name): Joe Kirk

Required Attachments (as applicable – copies without signatures acceptable)

RFP, Competitive Negotiation Request, Alternative Procurement Method Request, Non-Competitive Contract Request, Non-Competitive Amendment Request

Original Contract/Grant or Amendment

Proposed Contract/Grant or Amendment

Subject Information Technology Service Description

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

TDOT's TN 511 service (provided by Telvent USA, LLC) is highly utilized and provides real-time, state-wide traffic and highway data to motorists in Tennessee. The service is considered to be a significant contributor to the safety of Tennessee motorists, as well as for TDOT personnel and all other State agency and contracted personnel, working on and servicing Tennessee highways.

Request Tracking #	40100-35114
11. Human Resources Pre-Approval Endorsement Request – state employee training	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached
12. Are these goods or services currently available on a statewide contract? If YES, please explain why the current statewide contract is not being used for this procurement.	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES,
13. Maximum Contract Cost – with ALL options to extend exercised	\$ 1,137,780.00
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?	The cost of service average over the past 3 years A call volume average over the past 3 years An increase in monthly service maintenance equal to 12.8%
16. Explanation of Fair and Reasonable Price- Explain how agency determined that price is fair and reasonable	TDOT recently secured and entered the final option year of a five (5) year contract (est. 2009). The cost for maintenance and call volume is unchanged during the life of the contract. TDOT recommends a maintenance rate increase of 12.8%. Total anticipated costs for the new contract and service offering are lower than monies allotted for the current contract period.
17. Documentation of Discussions with Contractor- How did agency document discussions with Contractor? Attach documentation to this request as applicable.	No official discussions with the contractor have taken place.
18. Explanation of Need for or requirement placed on the State to acquire the goods or services	This request seeks a new five (5) year contract utilizing the current TN 511 service Contractor. The contract ensures and allows for continued operations and maintenance, as-well-as anticipated and unforeseen future expenses.
19. Proposed contract impact on current State operations	TDOT Traffic Operations and TDOT IT believe it is in the best interest of the agency and the State of Tennessee, to maintain 511 services with the current service Contractor. With call volume nearing 2000 calls per day, disruption or compromise to the current TN 511 service would be a great detriment to the service offering and would have a significant impact on TDOT's ability to pass vital highway traffic and safety information to the motoring public.

Request Tracking #

40100-35114

20. Justification – Specifically explain why the goods or services should be acquired through the procurement method or contract type selected.

Telvent USA, LLC has provided exemplary service to the State and TDOT in the development, customization, and maintenance of the current 511 service. TDOT's TN 511 project team has an outstanding working relationship with Telvent USA, LLC.

TDOT has existing and significant investment in both funding and man hours working with Telvent USA. If a new contract were awarded a new vendor, the agency would likely incur significant additional costs to develop, customize, and deploy a new 511 service aimed at meeting the current level of service, requirements and standards.

The original TN 511 three (3) year contract (\$1,500,000) included \$518,511.48 (35%) for design, development, testing and implementation of the service. TDOT has since exercised two (2) optional one (1) year extensions, for a total service time of five (5) years come this July. Throughout the five (5) year life of this contract, TDOT requested specific enhancements (based on agency needs and public feedback) to further improve the current service. These enhancement costs will total \$86,515.00 upon completion of the current contract in July.

The deployment and enhancement costs referenced above are based on rates negotiated five (5) years ago. The TDOT TN 511 project team expects these same costs in today's dollars would be approximately \$656,973.12 (based on 8.6% rate of inflation).

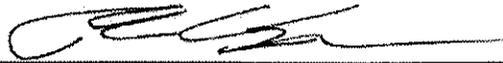
While some increase in maintenance and hourly rates for the vendor is both recommended and included in the proposed contract; the total cost of the proposal is less than the monies allocated for the current contract. The proposal lacks the original development costs mentioned above.

The TN 511 product is considered to be a service offering. The current, active contract, along with the proposed contract, stipulates that TDOT has rights to any unique source code created as part of the contract. Thus, TDOT owns source code enhancements developed throughout this, or any future contract. This source code however, is written not only within a proprietary product owned by the vendor; it's also developed with a specific Interactive Voice Response (IVR) system chosen by the vendor. In order to benefit from the enhanced code, any future 511 service will have to use the same IVR and a code base very similar to that of the current vendor.

RISKS

1. In order to use any enhanced code developed at the request of TDOT,
 - a. A future vendor must have a product closely aligned to that of the current vendor with regards to source code
 - b. A future vendor must use the same IVR as the current vendor.
2. Should the TN 511 service contract be awarded to a party other than the current vendor the project team feels a cost somewhat equivalent to the aforementioned \$656,973.12 would have to be incurred in order to bring an "off-the-shelf" 511 service to the State's present functionality. This cost is not required in the new contract proposal for the current vendor. The proposed contract covers the necessary maintenance and call fees only.
3. If a vendor absorbs these development costs in order to secure the TN 511 contract, the likelihood of the service being below the current level of service is a significant risk.
 - a. Such precedent has been set in a neighboring state.
 - b. TDOT has experience with a party other than our current vendor (used prior to the current contract). The TDOT's 511 project team's opinion, along with public opinion, is unanimous in that TDOT's prior 511 vendor's service was of significantly lesser quality.

Request Tracking #	40100-35114
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
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	This request seeks a new five (5) year contract utilizing the current TN 511 service Contractor. The contract ensures and allows for continued operations and maintenance, as-well-as anticipated and unforeseen future expenses.
26. Evidence of Contractor's experience & length of experience providing the goods or services to be procured.	Telvent USA, LLC (formerly PB Farradyne) has been providing award-winning city and state-level 511 services for 12 years. They have been providing exceptional service for TDOT for nearly 5 years.
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: RFP Name/Address:

Request Tracking #	40100-35114
28. Contractor selection process and efforts to identify reasonable, competitive, procurement alternatives	<p>Alternative 511 services have been reviewed in a variety of ways.</p> <ul style="list-style-type: none"> • A TDOT project team (researching Traffic and Incident Management applications) tested and experienced other vendors' 511 systems while traveling and viewing other States' Intelligent Transportation Systems. • TDOT's TN 511 project team members routinely call other States' 511 services as motorists while traveling. • TDOT IT has tested other states' and vendors' 511 systems, working to maintain the most cost effective and desirable solution for Tennessee and this agency. <p>In most cases, TDOT personnel who have utilized other 511 systems concluded that TDOT's current 511 service is superior to most others tested. While other services did emerge as equal to, or even superior to TDOT's current service, those services were deemed 'enhanced' and were in fact, provided by the current Contractor at greater costs</p>
Signature Required for all Special Contract Requests	
Agency Head Signature and Date – MUST be signed by the ACTUAL agency head as detailed on the current Signature Certification. Signature by an authorized signatory is acceptable only in documented circumstances	
Signature: 	Date: FFR 11 2014

Sourcing Analyst Recommendation

APPROVED


Central Procurement Officer

DATE: Friday, February 21, 2014

SUBJECT: Special Contract Request #40100-35114 for a Non-Competitive Contract with Telvent USA, LLC.

I. RECOMMENDATION:

I, Chris Yarbrough, recommend the approval of this non-competitive request to contract with Telvent USA, LLC. to allow TDOT to maintain services of the Tennessee 511 travel Information Services.

II. ANALYSIS:

This service was, originally, procured competitively in 2009. Since implementation of this service, there have been substantial upgrades to the system that allows this service to be provided to the public and more upgrades are anticipated in the future. TDOT has provided sufficient information to illustrate the significant increased cost to the State if a new vendor was to be awarded this contract. Due to inflation and the increased cost of software customization since 2009, a new vendor would require several hundred thousands of dollars to bring an "off the shelf" system up to par with the current services provided. Therefore, until such time as the current system becomes outdated or in need of a complete overhaul to provide the needed service it is reasonable for the current vendor to maintain the services and system upgrades.


Chris Yarbrough
Sourcing Analyst



CONTRACT

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



Begin Date 07/15/2014	End Date 07/14/2019	Agency Tracking # 40100-35114	Edison Record ID 41830 39840
Contractor Legal Entity Name Telvent USA, LLC			Edison Vendor ID 0000150420

Service Caption (one line only)
Tennessee 511 Travel Information Service

Subrecipient or Vendor <input type="checkbox"/> Subrecipient <input checked="" type="checkbox"/> Vendor	CFDA # 20.205
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Funding — FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2015	\$ 57,508.80	\$ 230,035.20			\$ 287,544.00
2016	\$ 57,508.80	\$ 230,035.20			\$ 287,544.00
2017	\$ 57,508.80	\$ 230,035.20			\$ 287,544.00
2018	\$ 57,508.80	\$ 230,035.20			\$ 287,544.00
2019	\$ 57,508.80	\$ 230,035.20			\$ 287,544.00
TOTAL:	\$ 287,544.00	\$ 1,150,176.00			\$ 1,437,720.00

American Recovery and Reinvestment Act (ARRA) Funding: YES NO

Ownership/Control

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

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

<input type="checkbox"/> RFP	The procurement process was completed in accordance with the approved RFP document and associated regulations.
<input type="checkbox"/> Competitive Negotiation	The predefined, competitive, impartial, negotiation process was completed in accordance with the associated, approved procedures and evaluation criteria.
<input type="checkbox"/> Alternative Competitive Method	The predefined, competitive, impartial, procurement process was completed in accordance with the associated, approved procedures and evaluation criteria.
<input checked="" type="checkbox"/> Non-Competitive Negotiation	The non-competitive contractor selection was completed as approved, and the procurement process included a negotiation of best possible terms & price.
<input type="checkbox"/> Other	The contractor selection was directed by law, court order, settlement agreement, or resulted from the state making the same agreement with <u>all</u> interested parties or <u>all</u> parties in a predetermined "class."

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.

Jennifer Herstek

OCR USE - FA

Speed Chart (optional) TX00201231	Account Code (optional) 72203000
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**CONTRACT
BETWEEN THE STATE OF TENNESSEE,
DEPARTMENT OF TRANSPORTATION
AND
TELVENT USA, LLC**

This Contract, by and between the State of Tennessee, Tennessee Department of Transportation, hereinafter referred to as the "State" and Telvent USA, LLC, hereinafter referred to as the "Contractor," is for the provision of the Tennessee 511 Travel Information Service, as further defined in the "SCOPE OF SERVICES."

The Contractor is a Limited Liability Company.
Contractor Place of Incorporation or Organization: Maryland
Contractor Edison Registration ID # 0000150420

A. SCOPE OF SERVICES:

A.1 Service and Deliverables:

The Contractor shall provide all service and deliverables as required, described, and detailed by this Scope of Services and shall meet all service and delivery timelines specified in the Scope of Services section or elsewhere in this Contract.

A.2 Functional and System Requirements:

The Contractor shall comply with the following system features and functional requirements in developing, implementing, and operating a 511 service in Tennessee.

A.2.a Basic System Requirements

- A.2.a.1 In accordance with the National 511 Guidelines, the Contractor-provided components of the 511 service shall be available to callers a minimum of 99.8% of the time, which translates to the service being unavailable less than eighteen (18) hours per year. The Contractor shall not be responsible for meeting this availability requirement during times when the connection between the IVR platform and the State's 511 XML server is unavailable.
- A.2.a.2 In accordance with the National 511 Guidelines, the Contractor shall provide sufficient capacity for the 511 service so as to be able to accept all calls for the 90th percentile peak hour load.
- A.2.a.3 The Contractor shall determine and provide the number of ports required to accommodate anticipated average call volumes of 70,000 calls per month (totaling 111,300 minutes of total monthly usage). Call transfer requests are expected to average 2,700 requests per month.
- A.2.a.4 The Contractor shall allocate the appropriate level of system capacity so that "bursting", or the use of additional ports, is not needed to accommodate anticipated average call volumes, but is available, if needed, to accommodate anticipated peak monthly call volumes of 85,000 calls.
- A.2.a.5 As outlined in the System Security and Disaster Recovery Plan (see Section A.5.a. 6), the Contractor shall provide sufficient system security to restrict access to the components of, and protect confidential information related to, Tennessee's 511 service. The Contractor shall also provide sufficient system redundancy to minimize the frequency and scope of impact of system failures.
- A.2.a.6 The Contractor shall at a minimum, provide a 511 product or service that is fully equal to or greater than, the functionality of the State's current 511 service.



A.2.b Basic System Functions and Features

- A.2.b.1** The development of the 511 service, as well as any future enhancements, shall adhere, when feasible, to the most current version of the National 511 Deployment Coalition's 511 Implementation and Operational Guidelines for 511 services [hereinafter referred to as National 511 Guidelines], unless otherwise directed by the State.
- A.2.b.2** The system architecture for the 511 service shall be a privately hosted, network-based interactive voice response (IVR) platform, as shown in the following diagram.
- A.2.b.3** The Contractor shall be responsible for all tasks related to establishing an IVR platform for the future 511 service, which include, but are not limited to:
- (i) Telephone network configuration,
 - (ii) Recordings,
 - (iii) Tree development,
 - (iv) System logic,
 - (v) Database configuration,
 - (vi) Data server configuration,
 - (vii) Interface development,
 - (viii) Testing,
 - (ix) Training and
 - (x) Management
- A.2.b.4** The State shall provide the Contractor with access to the 511 XML RSS Feed to develop the interface between the IVR data server and the State's 511 RSS Feed. The Contractor shall be responsible for developing the software solution to properly utilize the data feed, while also monitoring the connection status on the Contractor's end. The Contractor's software solution shall comply with State standards. The 511 specific RSS feed is currently located at http://ww2.tdot.state.tn.us/tsw/maps/tdotSmartway511_mod.xml
- A.2.b.5** The 511 service shall utilize the most current information available. The Contractor shall utilize an IVR 511 database to store a temporary working copy of the State's XML scripts. The Contractor's IVR data server will monitor the State's 511 RSS feed to retrieve the latest updated copy of current XML feed at intervals no longer than five (5) minutes.
- A.2.b.6** The Contractor will make a copy of the latest XML feed available via their website to the State so as the State can confirm Contractor is in possession of the latest XML feed.
- A.2.b.7** Callers to the 511 service shall not incur a per-call cost of more than the cost of a local call (i.e., callers using wireless phones will still have air-time charges but calls from landline phones should be free).
- A.2.b.8** Callers shall be able to utilize voice response or touch-tone to navigate the menu structure of the 511 service.
- A.2.b.9** The 511 service shall comply with applicable Americans with Disabilities Act (ADA) requirements for information accessibility by designing the system to reasonably accommodate speech-impaired and hearing-impaired callers.
- A.2.b.10** The State alone reserves the exclusive rights to include private sector advertising and marketing in the initial greeting or main menu of the 511 service.



A.2.b.11 A time-out feature shall be included that limits the length of a call to the 51 service to ten (10) minutes. Callers shall be provided with a one (1) minute warning before the time-out limit is reached.

A.3 Menu and Content

A.3.a The 511 service shall accommodate the following types of information.

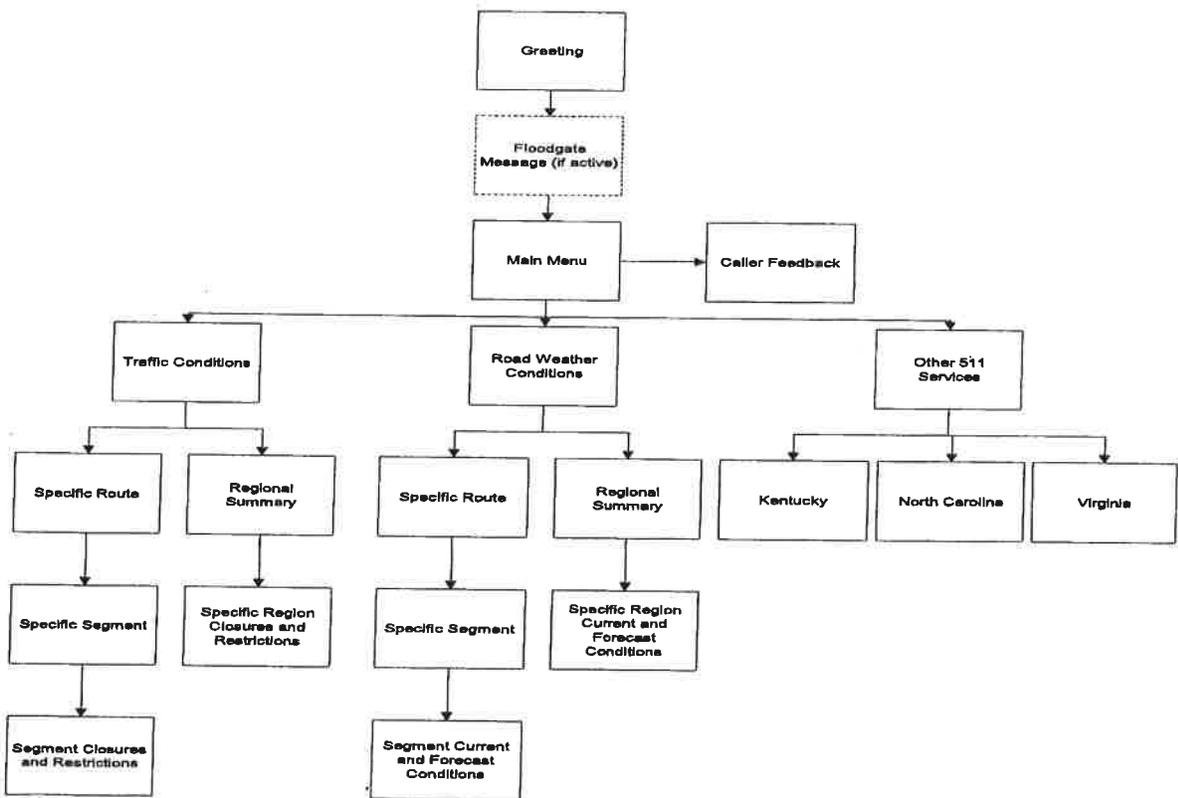
- A.3.a.1 Construction and maintenance activities that close or restrict access
- A.3.a.2 Weather-related road conditions
- A.3.a.3 Weather forecasts
- A.3.a.4 Road closures and major delays due to incidents
- A.3.a.5 Transportation-related major special event information
- A.3.a.6 Emergency notices and other special alerts
- A.3.a.7 Access via call transfer to bordering states' 511 services

A.3.b In accordance with the National 511 Guidelines, the travel information available through the 511 service should accommodate the following (where applicable).

- A.3.b.1 Regional overviews with options for additional detailed information
- A.3.b.2 Specific location or portion of route segment to which information applies
- A.3.b.3 Direction of travel
- A.3.b.4 General description and scale of impact and
- A.3.b.5 Duration for which information applies

A.3.c The Contractor shall create a detailed menu tree with call flow diagrams that illustrate how callers will be able to easily navigate through the menus to find the requested information. A high-level menu tree is shown to provide the Contractor with a base from which to develop the detailed menu tree and call flow diagrams.

Tennessee 511 Menu Tree

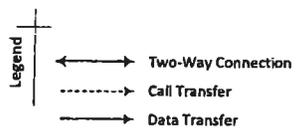
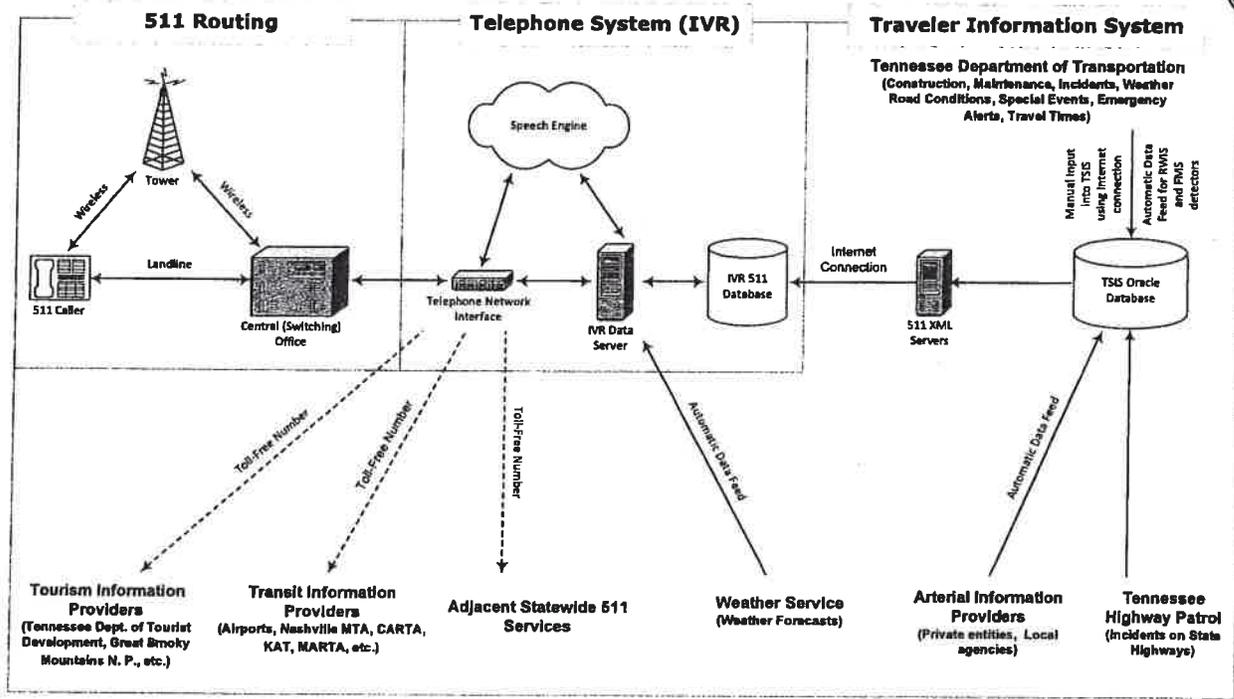




- A.3.d The 511 service shall allow for an uninterruptible floodgate message to be inserted at level within the menu structure shown in the table above. Callers will not be able to skip past a floodgate message, but once the floodgate message has been played, the 511 service will automatically continue with the same call flow that was being performed prior to the floodgate message. Once a floodgate message is inactivated, callers will not be able to discern where a floodgate message had previously been inserted. The floodgate message will be manually input by the State and delivered to the caller as concatenated speech, text-to-speech, or as a recorded message (e.g., in .wav file format) through an interface to be developed by the Contractor.
- A.3.e The initial greeting of the 511 service shall briefly welcome callers to Tennessee's 511 services.
- A.3.f At every menu level, the caller shall be able to hear the entire list of potential menu options at that menu level.
- A.3.g The 511 service shall provide certain commands made of words and phrases that are globally understood by the IVR platform and can be used by callers at any point in the menu structure. These commands could include:
 - A.3.g.1 Help,
 - A.3.g.2 Main menu,
 - A.3.g.3 Go back,
 - A.3.g.4 Stop,
 - A.3.g.5 Skip ahead to the next event or incident and
 - A.3.g.6 Repeat.
- A.3.h The "help" option offered at each menu shall provide a message that assists the caller with that particular menu.
- A.3.i If the information stored in the IVR 511 database has not been updated within the last five (5) minutes (i.e., the State has not updated XML scripts for the State's 511 RSS feed), the 511 service shall return a "no report available" message within the traffic conditions and road weather conditions menus.
- A.3.j When transferring from Tennessee's 511 services to the 511 services of bordering states, a prompt shall tell the caller that they are transferring from the system and allow the caller to say "no" and be returned to the main menu.
- A.3.k Callers shall be given the opportunity at the main menu to provide comments on the performance of the 511 service.
- A.3.l The Contractor shall implement the State's requests for minor changes in menu structure or composition within twenty-four (24) hours of the request (during business hours). These minor changes are to be considered part of the operations and maintenance of the 511 service and are not to be considered additional services or enhancements. Minor changes are anticipated to include such activities as:
 - A.3.l.1 Replacing a voice command prompt with a new prompt;
 - A.3.l.2 Removing an existing voice command prompt;
 - A.3.l.3 Adding an additional option to a menu, such as the special event information menu (Bonnaroo); and,
 - A.3.l.4 Enabling/disabling a floodgate message.
- A.3.m The 511 service shall provide Airport information, including call transfers (where applicable) to the following.
 - A.3.m.1 Nashville International Airport
 - A.3.m.2 Memphis International Airport
 - A.3.m.3 Chattanooga Airport



- A.3.m.4 McGee Tyson Airport, Knoxville
- A.3.m.5 Tri-Cities Airport
- A.3.m.6 McKeller-Sipes, Jackson
- A.3.n The 511 service shall provide Transit information, including call transfers, to the following call centers.
 - A.3.n.1 Knoxville Area Transit (KAT)
 - A.3.n.2 Chattanooga Area Regional Transportation Authority (ARTA)
 - A.3.n.3 Nashville Metropolitan Transit Authority (MTA)
 - A.3.n.4 Memphis Area Transit Authority (MATA)
- A.3.o The 511 service shall provide Tourism information, including call transfers, to the following.
 - A.3.o.1 Tennessee Department of Tourism
 - A.3.o.2 Great Smoky Mountains National Park
- A.3.p The menu tree and call flow diagrams shall be designed to allow for modification as future enhancements are made to the 511 service. The State (at its discretion) may request enhancements be made to the 511 service. The Contractor shall respond with a scope and budget within two (2) weeks of such a request from the State. Enhancements could include upgrades proposed by the Contractor as well as some of the following upgrades currently being considered by the State.
 - A.3.p.1 Utilization of the GeoRSS feeds in place of the existing 511 specific RSS feed (available at the following URLs)
 - A.3.p.1.i Incident:
<http://ww2.tdot.state.tn.us/tsw/GeoRSS/TDOTIncidentGeoRSS.xml>
 - A.3.p.1.ii Construction:
<http://ww2.tdot.state.tn.us/tsw/GeoRSS/TDOTConstructionGeorss.xml>
 - A.3.p.1.iii Road Conditions:
<http://ww2.tdot.state.tn.us/tsw/GeoRSS/TDOTWeatherGeorss.xml>
 - A.3.p.1.iv Weather Advisory:
<http://ww2.tdot.state.tn.us/tsw/GeoRSS/TDOTCWAGeorss.xml>
 - A.3.p.2 Congestion information and anticipated travel times in metropolitan areas,
 - A.3.p.3 Arterial street travel information and
 - A.3.p.4 Call transfers or contact numbers for 511 services that may be provided by any bordering states in the future.
- A.3.q The system architecture for the enhanced 511 service is envisioned to generally be as shown in the following diagram, although the number and type of enhancements and/or technologies are subject to change.



A.4 Project Management The Contractor shall provide the necessary project management and administrative support to design, build, implement, operate and maintain the hosted element of the State's 511 services. The Contractor shall identify a project manager who will serve as a point of contact for the State throughout the term of the contract. The Contractor's Project Management duties shall include the following.

A.4.a Project Management Plan

The Contractor shall submit a project management plan that shall include, but not be limited to, the following.

A.4.a.1 Major tasks to be completed

- A.4.a.1.i Project work plan showing the effort required and resources assigned to complete each task
- A.4.a.1.ii Anticipated starting and ending dates for each task
- A.4.a.1.iii Microsoft Project baseline schedule of key milestones, product submittals, project meetings, and review periods and
- A.4.a.1.iv Overview of proposed technical design that includes block diagrams and corresponding descriptions of the major components of the system

A.4.b Progress Reports

During system development and implementation, the Contractor shall prepare and submit to the State weekly progress reports in a format specified by the State. The progress reports shall:

- A.4.b.1 Detail all work efforts in the reporting period including all progress towards the current objective and
- A.4.b.2 Discuss any anticipated or encountered difficulties and proposed solutions.



As the project approaches the transition to the future 511 service, more frequent progress reports may be needed to keep the State informed of project progress.

A.4.c Once the 511 service is operational, the Contractor shall provide a web-based 'dashboard' with access controlled by login and password. The dashboard shall include a system performance display which will provide, at a minimum, the operation and utilization statistics currently recommended in Section VI of the National 511 Guidelines, version 3, and described in Section A.9.c.

A.4.d The Contractor shall prepare an annual program review summary of system performance and operations that will include, at a minimum: annual summary and monthly summaries of call volumes and call transfers, system enhancements and modifications completed (e.g., new content and functions), system enhancements requested, underway or completed, performance against goals, and overall system operations.

A.4.e Project Meetings

The Contractor shall organize and conduct project meetings with the State and be responsible for preparing and disseminating agendas and meeting summaries to the State. The purpose of these meetings will be to discuss the progress of work in terms of schedule and budget, to discuss technical and institutional issues that may arise, and to discuss comments on previously submitted products. During the design, build, testing and implementation phases, bi-monthly meetings or teleconferences are anticipated. More frequent meetings may be needed as the transition date approaches. Once the 511 service is operational, periodic progress meetings or teleconferences are anticipated to be held between the State and the Contractor's project manager.

A.4.f Project Records and Files

The Contractor shall maintain project records and files. Project records shall include progress reports, meeting agendas and summaries, management plans, schedule updates, project correspondence, product submittals, and source code specific to Tennessee's 511 services. All project records shall be considered the property of the State and shall be made available by the Contractor to State personnel, upon request, for review and audit.

A.5 TN 511 Service Delivery Steps

The anticipated deliverables for this service are as follows.

Service Delivery of 511 services

Test Environment of 511 services

Operations and Maintenance of 511 services

Additional Enhancements of 511 services

System Design of 511 services

A.5.a Service delivery through the contract includes the availability by the Contractor of all design documents needed to develop the 511 service. These design documents are to be succinct, yet detailed enough that the State can determine that the proposed design complies with the functional and system requirements described in Section A.2. Where applicable, these design documents are also to be comprehensive enough so that if the hosting services are transferred to a new voice-hosting services provider at some later date, the design documents contain enough information to allow the new provider to ascertain the system functionalities and features of the 511 service. Following are the minimum design documents that shall be available by the Contractor to the State.

A.5.a.1 Quality Assurance and Control Plan

The Contractor shall have available, a quality assurance and control plan to ensure compliance with all appropriate standards of quality throughout the term of the contract. The quality assurance and control plan shall be reviewed and updated as needed.



A.5.a.2 Detailed Functional and System Requirements

The Contractor shall have available, detailed functional and system requirements for Tennessee's 511 service. The detailed functional and system requirements shall be based on the requirements outlined in Section A.2.

A.5.a.3 System Architecture and Detailed System Design

Based on the detailed functional and system requirements, the Contractor shall have available, an architecture that shows the various Contractor-provided components of the 511 service. The architecture should graphically depict all subsystems, data interfaces, and call transfers, as well as identify the location and ownership of major hardware and software components. The architecture should also provide design details, such as descriptions of the individual hardware and software components, their functionalities, how they communicate with each other, their relative installation locations, and database usage.

A.5.a.4 Detailed Call Flows and Dialogs

The Contractor shall have available, detailed menu trees and call flow diagrams for the 511 service based on the menu tree outlined in Section A.4.c. The Contractor shall have available, call flow diagrams for all future enhancements to the service that result in expansion or modifications to the current menu structure. These call flow diagrams should illustrate menus, prompts, and sample dialogs for each menu option and layer. Call flows should include menu options, system information, and show sample dialogs with user requests. Dialogs also should address 'help' functions. Dialogs and menu options should indicate which responses are recorded and which are dynamically generated. All call flow diagrams should illustrate both voice recognition and touch-tone responses as callers will have the option to use either.

A.5.a.5 System Interface Design

The Contractor shall have available, a document that provides detailed design for the interfaces that will be required between the public switched telephone network (PSTN), the telephone network interface, the speech engine, the IVR data server, the State's 511 XML server, other 511 services (for a call transfer), and all other system components. A summary describing the designed interfaces will be submitted to the State.

A.5.a.6 System Security and Disaster Recovery Plan

The Contractor shall have available, a system security plan that addresses system security for those components of the 511 service provided by the Contractor. This plan will include provisions to restrict access and protect confidential information through means such as external and internal firewalls. These security plans and provisions shall be reviewed and updated as needed throughout the term of the Contract. In addition, the Contractor shall have available, a disaster recovery plan that demonstrates how the system will be brought back to its previous working condition after a system failure or a security breach. A minimum of one Disaster Recover test per year will be conducted with results delivered to the state within two months of said testing. The test report will include any issues identified and how they are to be mitigated.

A.5.a.7 Interactive Voice Response (IVR) Platform Demonstration

The Contractor shall have available, a customized IVR platform that has the capability of using voice recognition and concatenated speech output to match 511 callers with requested traveler information. System Acceptance Test (SAT) Plan



A.5.a.8 Configuration Management Plan

The Contractor shall have available, a configuration management plan and implement software and hardware configuration control and management procedures. This plan should outline processes, procedures and responsibilities for documenting and implementing any modifications and enhancements, including appropriate development requirements, approvals/acceptance and sign-off authorities. This plan shall also show which components and files (e.g., XML files, data access scripts, voice files) are project-specific and which are shared with other projects that are not part of the Tennessee 511 service, if applicable. For those 511 service components shared with other projects, the Contractor shall indicate how those shared components will be managed to prevent changes in other projects from impacting the Tennessee 511 service. Configuration management will be under the control of a Configuration Control Board that will consist of State staff and representatives of the Contractor.

A.5.a.9 Business Model Analysis

The Contractor shall have available, a business model analysis that discusses potential opportunities to maximize State benefit, upon implementation of the 511 service. Institutional issues surrounding possible public-private partnerships will be discussed. The implementation of potential future enhancements should be considered in the business model analysis.

A.5.a.10 Exit Strategy

An exit strategy shall have available, describing what shall be done in the event the Contractor no longer provides hosting services in the future. The exit strategy shall discuss how all project-specific XML files, data access scripts, voice files, and other pertinent code and files will be transferred to a new voice-hosting service provider.

A.5.a.11 Operations and Maintenance Plan

The Contractor shall have available, an operations and maintenance plan that addresses, at a minimum, the following key components.

- A.5.a.11.i Overall system operations
- A.5.a.11.ii Staffing plan and requirements, including identifying Contractor points-of-contact
- A.5.a.11.iii Monthly reporting/usage
- A.5.a.11.iv Maintenance needs

A.5.a.12 Performance Monitoring Plan

The Contractor shall have available, and implement a performance monitoring plan in accordance with the Functional and System Requirements outlined in Section A.2 and any other performance requirements developed as part of the Contractor's plan to measure the success of meeting the system requirements.

A.5.a.13 Enhancements Plans

- A.5.a.16.i The Contractor shall have available, on an as needed basis, a plan detailing the implementation and costs of specific enhancements desired or required by the State for the remaining term of the Contract.
- A.5.a.16.ii The Contractor is encouraged to offer enhancement suggestions. Any suggestions shall include a plan detailing the implementation and costs of said enhancements.

A.5.b Test Environment for 511 service



The Contractor shall have available, a test 511 service, allowing for non-production testing of the 511 system.

A.5.c Operations and Maintenance of 511 service

This includes operating and maintaining the 511 service through the end of the Contract; a period anticipated to be sixty (60) months (including development and testing) unless contract extensions are utilized as follows.

- A.5.d.1 Operations and Maintenance of 511 service of components independent of usage, including but not limited to program management, IVR hosting, and software and hardware maintenance and upgrades
- A.5.d.2 Operations and Maintenance of 511 service for 0-25,000 minutes in a month (includes all applicable long distance access, telco, and bursting, and call transfers).
- A.5.d.3 Operations and Maintenance of 511 service in excess of 25,000 minutes in a month, for next tier of 25,000 minutes (25,001-50,000 total minutes) in a month (includes all applicable long distance access, telco, and bursting, and call transfers).
- A.5.d.4 Operations and Maintenance of 511 service in excess of 50,000 minutes in a month, for next tier of 25,000 minutes (50,001-75,000 total minutes) in a month (includes all applicable long distance access, telco, and bursting, and call transfers).
- A.5.d.5 Operations and Maintenance of 511 service in excess of 75,000 minutes in a month, for next tier of 25,000 minutes (75,001-100,000 total minutes) in a month (includes all applicable long distance access, telco, and bursting, and call transfers).
- A.5.d.6 Operations and Maintenance of 511 service in excess of 100,000 minutes in a month, for next tier of 50,000 minutes (100,001-150,000 total minutes) in a month (includes all applicable long distance access, telco, and bursting, and call transfers).
- A.5.d.7 Operations and Maintenance of 511 service in excess of 150,000 minutes in a month, for next tier of 50,000 minutes (150,001-200,000 total minutes) in a month (includes all applicable long distance access, telco, and bursting, and call transfers).
- A.5.d.8 Operations and Maintenance of 511 service if exceeds 200,000 minutes in a month, for all additional minutes beyond 200,000 minutes in a month (includes all applicable long distance access, telco, and bursting, and call transfers).
- A.5.d.9 Operations and Maintenance of 511 service for call transfer to a toll-free number

A.5.e Additional Enhancements of 511 service

This includes implementing enhancements on an as-needed basis for the remaining term of the Contract. The Contractor or the State can recommend enhancements but the State ultimately determines which enhancements to implement. The effort to complete these enhancements shall be broken down into the following sub-tasks.

- A.5.e.1 Project Management
- A.5.e.2 Business Analysis
- A.5.e.3 Application Development
- A.5.e.4 Database Development or Modification
- A.5.e.5 Modification of Voice Files

A.6 System Interfaces



- A.6.a The Contractor shall use the current toll-free number for use with the 511 service. This number is the point-to number to which 511 calls will be routed by telecommunications providers. The State has coordinated with telecommunications providers to perform the actual routing. This point-to number is also used by callers who need to dial the toll-free number because their telecommunications providers do not route 511 calls. This toll-free number shall remain in ownership of the State at the end of the Contract.
 - A.6.b The Contractor shall be responsible for all telecommunications connections between the IVR platform and the Public Switched Telephone Network (PSTN) for toll-free and call transfer services.
 - A.6.c The Contractor shall be responsible for all interfaces and connections between the components of the IVR platform.
 - A.6.d The Contractor shall be responsible for all interfaces and connections between the Contractor's IVR platform and the State's 511 XML server(s).
 - A.6.e The Contractor will develop an interface with the National Weather Service or other weather information providers to provide general forecasted weather conditions in the 511 service for the roadway segments included in the 511 service.
 - A.6.f The Contractor will develop an interface and mechanism that allows State staff to insert and remove a floodgate message at any point in the menu structure. This interface will utilize a secure Internet connection. The floodgate interface will permit State staff to use text or pre-recorded messages (e.g., .wav files) for floodgate messages. The Contractor shall ensure that all floodgate messages in a text format are appropriately converted to speech. The Contractor shall ensure that all floodgate messages are uploaded to the 511 service and placed in the 511 menu structure as requested by State staff.
 - A.6.g The 511 service will provide call transfers to the toll-free numbers corresponding to the 511 service of bordering states that disconnect the caller from Tennessee's 511 services, once the call transfer is made.
 - A.6.h The Contractor is responsible for developing or modifying interfaces between the Contractor-provided components of the 511 service to accommodate future enhancements.
- A.7 End-User Interfaces
- A.7.a The IVR platform shall recognize voice commands from callers and provide callers with access to the requested information through voice message outputs.
 - A.7.b The IVR platform shall be capable of recognizing various accents and dialects.
 - A.7.c The IVR platform shall be capable of recognizing various names or designations for the same road or location (e.g., Interstate 40 and I-40).
 - A.7.d The voice recognition shall be updateable either through software or other means on the accents and words most commonly used by callers of the 511 service, thereby improving the voice recognition functionality.
 - A.7.e The IVR platform also shall be capable of recognizing touch-tone, also known as Dual-Tone Multi-Frequency (DTMF), commands from callers, thereby creating an alternate method besides voice commands for callers to request information.
 - A.7.f The IVR platform shall automatically default to touch-tone after three consecutive failures to recognize voice commands. Callers shall be notified that the system is defaulting to touch-tone.
 - A.7.g Travel information shall generally be converted to voice messages by combining concatenated voice clips or utilizing text-to-speech. The most current version of Voice Extensible Markup Language (VXML) (as approved by the W3C XML Workgroup) shall be used to convert the data into voice messages. Pre-recorded messages may be appropriate in certain cases such as floodgate messages.



- A.7.h The Contractor shall coordinate with the State regarding the recording of voice messages for the Tennessee 511 service. The State will provide the Contractor with the voice talent but it will be the responsibility of the Contractor to provide the words or sentences that are to be recorded to the voice talent. It is anticipated that the same voice talent will be utilized to record all voice messages, with one possible exception being for pre-recorded messages produced by the State.
- A.7.i The IVR platform shall provide audible evidence that a call is still active if there is any "dead" time while data is being processed.
- A.7.j The State shall maintain the rights to all project-specific voice recordings developed for the Tennessee 511 service. A copy of all project-specific voice recordings shall be provided to the State by the Contractor before implementation of the 511 service occurs. Any updates to the voice recordings throughout the contract period shall also be provided to the State.
- A.7.k The Contractor shall provide a demonstration to the State that shows that all of the requirements set forth herein have been met.
- A.8 Implementation**
- A.8.a The Contractor shall develop and test the future 511 service in a separate test environment prior to implementation.
- A.8.b After a full end-to-end test is performed as outlined in the System Acceptance Test Plan (see Section A.5.a.8) in the Test environment, the Contractor will implement the 511 service in their production environment. The 511 service must operate properly, without a system failure, for a consecutive 30-day burn-in period in the production Environment before final acceptance of the 511 service will be made. A system failure occurs when there is an interruption or problem with the proper operation of the system. Proper operation includes, but is not limited to, the full process from receiving the call, recognizing the caller requests, retrieving the desired information, reporting that information back to the caller, and terminating the call.
- A.8.b.1 The Contractor will maintain the Test environment after implementation of the 511 service in production so the State and Contractor can test any changes or improvements to the service before implementing them in the production environment.
- A.8.c Any additional temporary or permanent toll-free numbers, hardware, and software needed for testing or operating the future 511 service will be obtained and paid for by the Contractor.
- A.8.d Transition of the 511 service shall occur as outlined in the Transition Plan (see Section A.5.a.9) and shall commence no later than July 15, 2014 at 12:01 AM CST, unless otherwise authorized by the State.
- A.8.e Live testing of the future 511 service shall be conducted immediately after implementation to ensure all components of the future 511 service have been successfully implemented.
- A.8.f Any enhancements to the future 511 service shall go through testing as outlined in the System Acceptance Test Plan (see Section A.5.a.8).
- A.9 Operations and Maintenance**
- A.9.a Operations and maintenance shall commence with the implementation of the 511 service and continue until the expiration of the Contract or expiration of any contract extensions.
- A.9.b All licensing, operations and maintenance requirements associated with the Contractor's components of the 511 service will be the responsibility of the Contractor and shall be outlined in the Operations and Maintenance Plan (see Section A.5.a.14).
- A.9.c The 511 service shall be designed with appropriate reporting functions and shall generate real-time system performance reports to be provided to the State using a web-based



'dashboard' system. The following system performance and utilization statistics, as currently recommended by the National 511 Guidelines, shall be included at a minimum.

- A.9.c.1 Calls per month,
 - A.9.c.2 Peak daily count and date of occurrence,
 - A.9.c.3 Peak hourly count and time of occurrence,
 - A.9.c.4 Capacity utilization (number of ports used versus number available),
 - A.9.c.5 Number of dropped calls,
 - A.9.c.6 Number and duration of system failures,
 - A.9.c.7 Average call length in seconds,
 - A.9.c.8 Total minutes of usage per month,
 - A.9.c.9 Total number and percentage of requests for the main menu selections,
 - A.9.c.10 Total number and percentage of transfers to border states' 511 services,
 - A.9.c.11 Total number and percentage of calls from wireless telephones (optional based on telephone routing configuration) and
 - A.9.c.12 Total number and percentage of calls from landline telephones (optional based on telephone routing configuration).
- A.9.d The Contractor shall be responsible for ensuring that call transfers to border states' 511 service are correctly programmed and properly functioning.
- A.9.e As outlined in the Performance Monitoring Plan (see Section A.5.a.15), the Contractor shall monitor the 511 service operations to ensure that interfaces, menus, prompts, and responses are functioning correctly. The State will be responsible for quality and accuracy of information provided to callers.
- A.9.f The Contractor shall provide the means to log information from the components of the 511 service. Logging information shall include system status, system errors, and operational logs. The log text shall be time stamped and presented in understandable English sentences. Other information may be provided, as necessary, to assist developers in diagnosing the causes of any problems. The Contractor will include these logs in the web-based 'dashboard' monitoring system.
- A.9.g Any needed maintenance, upgrade, and life-cycle costs for the Contractor-provided portions of the 511 service will be incurred by the Contractor.

A.10 Training

- A.10.a As outlined in the Training Plan (see Section A.5.a.11), the Contractor shall develop a curriculum that documents the responsibilities of State personnel for assisting the Contractor in the operations and maintenance of the 511 service.

A.11 Configuration Management and Control

- A.11.a The Contractor shall track all modifications, changes, and enhancements to the 511 service.
- A.11.b The Contractor shall implement the software and hardware configuration control and management procedures outlined in the Configuration Management Plan (see Section A.5.a.10).
- A.11.c The Contractor shall report to the configuration management board and provide status reports to the State quarterly.
- A.11.d The Contractor shall update the Configuration Management Plan (see Section A.6.a. (10) and all other applicable plans as needed.

B. CONTRACT PERIOD:



B.1 This Contract shall be effective for the period beginning July 15, 2014, and ending on July 1, 2019. The Contractor hereby acknowledges and affirms that the State shall have no obligation for services rendered by the Contractor which were not performed within this specified contract period.

B.2 Term Extension

This Contract shall be effective for the period beginning July 15, 2014, and ending July 14, 2019. The State will neither seek nor authorize any term extensions as part of this contract.



C. PAYMENT TERMS AND CONDITIONS:

C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed One million, four hundred thirty-seven thousand, and seven hundred twenty dollars (\$ 1,437,720.00). The payment rates in section C.3 shall constitute the entire compensation due the Contractor for all service and Contractor obligations hereunder regardless of the difficulty, materials or equipment required. The payment rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

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

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

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

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

Service Description	Amount (per compensable increment)
Operations and Maintenance of the 511 service, monthly cost components independent of usage including but not limited to, program management, IVR hosting, and software and hardware maintenance and upgrades	\$ 18,963.00 per month
Operations and Maintenance of the future 511 service Per minute rate for 0-25,000 minutes in a month (includes all applicable long distance access, telco, and bursting surcharges and taxes except for call transfer charges)	\$ 0.020 per minute
Operations and Maintenance of the future 511 service Per minute rate, if exceed 25,000 minutes in a month, for next tier of 25,000 minutes (25,001-50,000 total minutes) in a month (includes all applicable long distance access, telco, and bursting surcharges and taxes except for call transfer charges)	\$ 0.020 per minute
Operations and Maintenance of 511 service Per minute rate, if exceed 50,000 minutes in a month, for next tier of 25,000 minutes (50,001-75,000 total minutes) in a month (includes all applicable long distance access, telco, and bursting surcharges and taxes except for call transfer charges)	\$ 0.020 per minute
Operations and Maintenance of 511 service Per minute rate, if exceed 75,000 minutes in a month, for next tier of 25,000 minutes (75,001-100,000 total minutes) in a month (includes all	\$ 0.020 per minute



applicable long distance access, telco, and bursting surcharges and taxes except for call transfer charges)

Operations and Maintenance of 511 service

Per minute rate, if exceed 100,000 minutes in a month, for next tier of 50,000 minutes (100,001-150,000 total minutes) in a month (includes all applicable long distance access, telco, and bursting surcharges and taxes except for call transfer charges) \$ 0.088 per minute

Operations and Maintenance of 511 service

Per minute rate, if exceed 150,000 minutes in a month, for next tier of 50,000 minutes (150,001-200,000 total minutes) in a month (includes all applicable long distance access, telco, and bursting surcharges and taxes except for call transfer charges) \$ 0.088 per minute

Operations and Maintenance of 511 service

Per minute rate, if exceed 200,000 minutes in a month, for all additional minutes beyond 200,000 minutes in a month (includes all applicable long distance access, telco, and bursting surcharges and taxes except for call transfer charges) \$ 0.088 per minute

Operations and Maintenance of 511 service

Per transfer charge for a call transfer to a toll-free number \$ 0.100 per transfer

Enhancements of 511 service

Per agreed price based upon estimated labor and service costs

Project Management \$ 197.36 per hour

Business Analysis \$ 140.97 per hour

Application Development \$ 119.83 per hour

Database Development or Modification \$ 112.79 per hour

Modification of Voice files \$ 201.20 per hour

C.4. Travel Compensation. The Contractor shall not be compensated or reimbursed for travel, meals, or lodging.

C.5. Invoice Requirements. The Contractor shall invoice the State only for completed increments of service and for the amount stipulated in section C.3, above, and present said invoices no more often than monthly, with all necessary supporting documentation, to:

John Hall
Motorist Information Coordinator
Tennessee Department of Transportation
505 Deaderick Street, Suite 700
James K. Polk Building
Nashville, TN 37243
Phone Number (615) 253-0057

a. Each invoice shall clearly and accurately detail all of the following required 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: Tennessee Department of Transportation, Traffic Operations Division



- (5) Customer Account Number (assigned by the Contractor to the above-referenced Customer)
 - (6) Contractor Name
 - (7) Contractor Tennessee Edison Registration ID Number Referenced in Preamble of this Contract
 - (8) Contractor Contact for Invoice Questions (name, phone, and/or fax)
 - (9) Contractor Remittance Address
 - (10) Description of Delivered Service
 - (11) Complete Itemization of Charges, which shall detail the following:
 - i. Service or Milestone Description (including name & title as applicable) of each service invoiced
 - ii. Number of Completed Units, Increments, Hours, or Days as applicable, of each service invoiced
 - iii. Applicable Payment Rate (as stipulated in Section C.3.) of each service invoiced
 - iv. Amount Due by Service
 - v. Total Amount Due for the invoice period
- b. The Contractor understands and agrees that an invoice under this Contract shall:
- (1) include only charges for service described in Contract Section A and in accordance with payment terms and conditions set forth in Contract Section C;
 - (2) only be submitted for completed service and shall not include any charge for future work;
 - (3) not include sales tax or shipping charges; and
 - (4) initiate the timeframe for payment (and any discounts) only when the State is in receipt of the invoice, and the invoice 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 matter in relation thereto. A payment by the State shall not be construed as acceptance of any part of the work or service 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 theretofore made which are determined by the State, on the basis of audits conducted in accordance with the terms of this Contract, not to constitute proper remuneration for compensable services.
- C.8. Deductions. The State reserves the right to deduct from amounts, which are or shall become due and payable to the Contractor under this or any contract between the Contractor and the State of Tennessee any amounts, which are or shall become due and payable to the State of Tennessee by the Contractor.
- C.9. Prerequisite Documentation. The Contractor shall not invoice the State under this Contract until the State has received the following documentation properly completed.
- a. The Contractor shall complete, sign, and present to the State an "Authorization Agreement for Automatic Deposit (ACH Credits) Form" provided by the State. By doing so, the Contractor acknowledges and agrees that, once said 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 (ACH).
 - b. The Contractor shall complete, sign, and present to the State a "Substitute W-9 Form" provided by the State. The taxpayer identification number detailed by said form must agree with the Contractor's Federal Employer Identification Number or Tennessee Edison Registration ID referenced in this Contract.



D. STANDARD TERMS AND CONDITIONS:

- D.1. Required Approvals. The State is not bound by this Contract until it is signed by the contract parties and approved by appropriate officials in accordance with applicable Tennessee laws and regulations (depending upon the specifics of this contract, said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).
- D.2. Modification and Amendment. This Contract may be modified only by a written amendment signed by all parties hereto and approved by both the officials who approved the base contract and, depending upon the specifics of the contract as amended, any additional officials required by Tennessee laws and regulations (said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).
- D.3. Termination for Convenience. The State may terminate this Contract without cause for any reason. Said termination shall not be deemed a breach of contract by the State. The State shall give the Contractor at least thirty (30) days written notice before the effective termination date. The Contractor shall be entitled to compensation for satisfactory, authorized service completed as of the termination date, but in no event shall the State be liable to the Contractor for compensation for any service which has not been rendered. Upon such termination, the Contractor shall have no right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- D.4. Termination for Cause. If the Contractor fails to properly perform its obligations under this Contract in a timely or proper manner, or if the Contractor violates any terms of this Contract, the State shall have the right to immediately terminate the Contract and withhold payments in excess of fair compensation for completed services. Notwithstanding the above, the Contractor shall not be relieved of liability to the State for damages sustained by virtue of any breach of this Contract by the Contractor.
- D.5. Subcontracting. The Contractor shall not assign this Contract or enter into a subcontract for any of the services performed under this Contract without obtaining the prior written approval of the State. If such subcontracts are approved by the State, each shall contain, at a minimum, sections of this Contract below pertaining to "Conflicts of Interest," "Nondiscrimination," and "Records" (as identified by the section headings). Notwithstanding any use of approved subcontractors, the Contractor shall be the prime contractor and shall be responsible for all work performed.
- D.6. Conflicts of Interest. The Contractor warrants that no part of the total Contract Amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Contractor in connection with any work contemplated or performed relative to this Contract.
- The Contractor acknowledges, understands, and agrees that this Contract shall be null and void if the Contractor is, or within the past six 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 months has been, an employee of the State of Tennessee.
- D.7. Nondiscrimination. The Contractor hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the Contractor on the grounds of handicap or disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law. The Contractor shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.
- D.8. Prohibition of Illegal Immigrants. The requirements of *Tennessee Code Annotated*, Section 12-4-124, *et seq.*, addressing the use of illegal immigrants in the performance of any Contract to



supply goods or services to the state of Tennessee, shall be a material provision of this Contract a breach of which shall be grounds for monetary and other penalties, up to and including termination of this Contract.

- a. The Contractor hereby attests, certifies, warrants, and assures that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract. The Contractor shall reaffirm this attestation, in writing, by submitting to the State a completed and signed copy of the document at Attachment One hereto, semi-annually during the period of this Contract. Such attestations shall be maintained by the Contractor and made available to state officials upon request.
 - b. Prior to the use of any subcontractor in the performance of this Contract, and semi-annually thereafter, during the period of this Contract, the Contractor shall obtain and retain a current, written attestation that the subcontractor shall not knowingly utilize the services of an illegal immigrant to perform work relative to this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant to perform work relative to this Contract. Attestations obtained from such subcontractors shall be maintained by the Contractor and made available to state officials upon request.
 - c. The Contractor shall maintain records for all personnel used in the performance of this Contract. Said records shall be subject to review and random inspection at any reasonable time upon reasonable notice by the State.
 - d. The Contractor understands and agrees that failure to comply with this section will be subject to the sanctions of *Tennessee Code Annotated*, Section 12-4-124, *et seq.* for acts or omissions occurring after its effective date. This law requires the Commissioner of Finance and Administration to prohibit a contractor from contracting with, or submitting an offer, proposal, or bid to contract with the State of Tennessee to supply goods or services for a period of one year after a contractor is discovered to have knowingly used the services of illegal immigrants during the performance of this Contract.
 - e. For purposes of this Contract, "illegal immigrant" shall be defined as any person who is not either a United States citizen, a Lawful Permanent Resident, or a person whose physical presence in the United States is authorized or allowed by the federal Department of Homeland Security and who, under federal immigration laws and/or regulations, is authorized to be employed in the U.S. or is otherwise authorized to provide services under the Contract.
- D.9. Records. The Contractor shall maintain documentation for all charges under this Contract. The books, records, and documents of the Contractor, insofar as they relate to work performed or money received under this Contract, shall be maintained for a period of three (3) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the State, the Comptroller of the Treasury, or their duly appointed representatives. The financial statements shall be prepared in accordance with generally accepted accounting principles.
- D.10. Prevailing Wage Rates. All contracts for construction, erection, or demolition or to install goods or materials that involve the expenditure of any funds derived from the State require compliance with the prevailing wage laws as provided in *Tennessee Code Annotated*, Section 12-4-401, *et seq.*
- D.11. 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.12. Progress Reports. The Contractor shall submit brief, periodic, progress reports to the State as requested.
- D.13. Strict Performance. Failure by any party to this Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this Contract shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the parties hereto.
- D.14. Independent Contractor. The parties hereto, in the performance of this Contract, shall not act as employees, partners, joint venturers, or associates of one another. It is expressly acknowledged by the parties hereto that such parties are independent contracting entities and that nothing in this Contract shall be construed to create an employer/employee relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.
- The Contractor, being an independent contractor and not an employee of the State, agrees to carry adequate public liability and other appropriate forms of insurance, including adequate public liability and other appropriate forms of insurance on the Contractor's employees, and to pay all applicable taxes incident to this Contract.
- D.15. State Liability. The State shall have no liability except as specifically provided in this Contract.
- D.16. Force Majeure. The obligations of the parties to this Contract are subject to prevention by causes beyond the parties' control that could not be avoided by the exercise of due care including, but not limited to, natural disasters, riots, wars, epidemics, or any other similar cause.
- D.17. State and Federal Compliance. The Contractor shall comply with all applicable State and Federal laws and regulations in the performance of this Contract.
- D.18. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Contractor agrees that it will be subject to the exclusive jurisdiction of the courts of the State of Tennessee in actions that may arise under this Contract. The Contractor acknowledges and agrees that any rights or claims against the State of Tennessee or its employees hereunder, and any remedies arising therefrom, shall be subject to and limited to those rights and remedies, if any, available under *Tennessee Code Annotated*, Sections 9-8-101 through 9-8-407.
- D.19. Completeness. This Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.
- D.20. Severability. If any terms and conditions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Contract are declared severable.
- D.21. Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.



E. SPECIAL TERMS AND CONDITIONS:

E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Contract, these special terms and conditions shall control.

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

The State:

John Hall
Motorist Information Coordinator
Tennessee Department of Transportation
505 Deaderick Street, Suite 300
James K. Polk Building
Nashville, TN 37243
Telephone Number (615) 253-0057

The Contractor:

John Schumitz
Sr. ITS Project Manager
Telvent USA, LLC
1390 Piccard Dr. Suite 200
john.schumitz@telvent.com
Telephone # (301) 354-1375
FAX # (301) 354-5567

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

E.3. Subject to Funds Availability. The Contract is subject to the appropriation and availability of State and/or Federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate the Contract upon written notice to the Contractor. Said termination shall not be deemed a breach of Contract by the State. Upon receipt of the written notice, the Contractor shall cease all work associated with the Contract. Should such an event occur, the Contractor shall be entitled to compensation for all satisfactory and authorized services completed as of the termination date. Upon such termination, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

E.4. Tennessee Consolidated Retirement System. The Contractor acknowledges and understands that, subject to statutory exceptions contained in *Tennessee Code Annotated*, Section 8-36-801, *et. seq.*, the law governing the Tennessee Consolidated Retirement System (TCRS), provides that if a retired member of TCRS, or of any superseded system administered by TCRS, or of any local retirement fund established pursuant to *Tennessee Code Annotated*, Title 8, Chapter 35, Part 3 accepts state employment, the member's retirement allowance is suspended during the period of the employment. Accordingly and notwithstanding any provision of this Contract to the contrary, the Contractor agrees that if it is later determined that the true nature of the working relationship between the Contractor and the State under this Contract is that of "employee/employer" and not that of an independent contractor, the Contractor, 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 period of this Contract.



E.5 Tennessee Department of Revenue Registration. The Contractor shall be registered with the Department of Revenue for the collection of Tennessee sales and use tax. This registration requirement is a material requirement of this Contract.

E.6. Insurance. The Contractor shall carry adequate liability and other appropriate forms of insurance.

a. The Contractor shall maintain, at minimum, the following insurance coverage:

- (1) Workers' Compensation/ Employers' Liability (including all states coverage) with a limit not less than the relevant statutory amount or one million dollars (\$1,000,000) per occurrence for employers' liability whichever is greater.
- (2) Comprehensive Commercial General Liability (including personal injury & property damage, premises/operations, independent contractor, contractual liability and completed operations/products) with bodily injury/property damage combined single limit not less than one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) aggregate.
- (3) Automobile Coverage (including owned, leased, hired, and non-owned vehicles) with a bodily injury/property damage combined single limit not less than one million dollars (\$1,000,000) per occurrence.
- (4) Professional Malpractice Liability with a limit of not less than one million dollars (\$1,000,000) per claim and two million dollars (\$2,000,000) aggregate.

b. At any time State may require the Contractor to provide a valid Certificate of Insurance detailing Coverage Description; Insurance Company & Policy Number; Exceptions and Exclusions; Policy Effective Date; Policy Expiration Date; Limit(s) of Liability; and Name and Address of Insured. Failure to provide required evidence of insurance coverage shall be a material breach of this Contract.

E.7. Confidentiality of Records. Strict standards of confidentiality of records and information shall be maintained in accordance with applicable state and federal law. All material and information, regardless of form, medium or method of communication, provided to the Contractor by the State or acquired by the Contractor on behalf of the State shall be regarded as confidential information in accordance with the provisions of applicable state and federal law, state and federal rules and regulations, departmental policy, and ethical standards. Such confidential information shall not be disclosed, and all necessary steps shall be taken by the Contractor to safeguard the confidentiality of such material or information in conformance with applicable state and federal law, state and federal rules and regulations, departmental policy, and ethical standards.

The Contractor's obligations under this section do not apply to information in the public domain; entering the public domain but not from a breach by the Contractor of this Contract; previously possessed by the Contractor without written obligations to the State to protect it; acquired by the Contractor without written restrictions against disclosure from a third party which, to the Contractor's knowledge, is free to disclose the information; independently developed by the Contractor without the use of the State's information; or, disclosed by the State to others without restrictions against disclosure. Nothing in this paragraph shall permit Contractor to disclose any information that is confidential under federal or state law or regulations, regardless of whether it has been disclosed or made available to the Contractor due to intentional or negligent actions or inactions of agents of the State or third parties.

It is expressly understood and agreed the obligations set forth in this section shall survive the termination of this Contract.

E.8. State Ownership of Work Products. The State shall have ownership, right, title, and interest, including ownership of copyright, in all work products, including computer source code, created, designed, developed, derived, documented, installed, or delivered under this Contract subject to



the next subsection and full and final payment for each "Work Product." The State shall have royalty-free and unlimited rights and license to use, disclose, reproduce, publish, distribute, modify, maintain, or create derivative works from, for any purpose whatsoever, all said Work Products.

- a. To the extent that the Contractor uses any of its pre-existing, proprietary or independently developed tools, materials or information ("Contractor Materials"), the Contractor shall retain all right, title and interest in and to such Contractor Materials, and the State shall acquire no right, title or interest in or to such Contractor Materials EXCEPT the Contractor grants to the State an unlimited, non-transferable license to use, copy and distribute internally, solely for the State's internal purposes, any Contractor Materials reasonably associated with any Work Product provided under the Contract.
- b. The Contractor shall furnish such information and data as the State may request, including but not limited to computer code, that is applicable, essential, fundamental, or intrinsic to any Work Product and Contractor Materials reasonably associated with any Work Product, in accordance with this Contract and applicable state law.
- c. Nothing in this Contract shall prohibit the Contractor's use for its own purposes of the general knowledge, skills, experience, ideas, concepts, know-how, and techniques obtained and used during the course of providing the services requested under this Contract.
- d. Nothing in the Contract shall prohibit the Contractor from developing for itself, or for others, materials which are similar to and/or competitive with those that are produced under this Contract.

E.9. Ownership of Software and Work Products.

a. Definitions.

- (1) "Contractor-Owned Software," which 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," which shall mean customized application software developed by Contractor solely for State.
- (3) "Rights Transfer Application Software," which 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," which shall mean software not owned by the State or the Contractor.
- (5) "Work Product," which 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 for the State during the course of the project using State's money or resources, including Custom-Developed Application Software. If the system solution includes Rights Transfer Application Software, the definition of Work Product shall also include such 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 herein.

- (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 shall execute any other documents that State or its counsel deem necessary or desirable to document this transfer and/or allow State to register its claims and rights to such intellectual property rights or enforce them against third parties, and Contractor shall cooperate fully in the foregoing endeavors.
- (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 thereby.

- c. Nothing in this Contract shall prohibit the Contractor's use for its own purposes of the general knowledge, skills, experience, ideas, concepts, know-how, and techniques obtained and used during the course of providing the services requested under this Contract.
- d. Nothing in the Contract shall prohibit the Contractor from developing for itself, or for others, materials which are similar to and/or competitive with those that are produced under this Contract.

E.10. Prohibited Advertising. The Contractor shall not refer to this Contract or the Contractor's relationship with the State hereunder in commercial advertising in such a manner as to state or imply that the Contractor or the Contractor's services are endorsed. It is expressly understood and agreed that the obligations set forth in this section shall survive the termination of this Contract in perpetuity.

E.11. Debarment and Suspension. The Contractor certifies, to the best of its knowledge and belief, that it, its current and future principals, its current and future subcontractors and their principals:

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

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



- E.12. Limitation of Liability. The parties agree that the Contractor's liability under this Contract shall be limited to an amount equal to Two million, eight hundred seventy-five thousand, four hundred forty dollars \geq (\$ 2,875,440.00) 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, or fraudulent conduct.
- E.13. Hold Harmless. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims, liabilities, losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity which may be injured or damaged as a result of acts, omissions, or negligence on the part of the Contractor, its employees, or any person acting for or on its or their behalf relating to this Contract. The Contractor further agrees it shall be liable for the reasonable cost of attorneys for the State in the event such service is necessitated to enforce the terms of this Contract or otherwise enforce the obligations of the Contractor to the State.
- In the event of any such suit or claim, the Contractor shall give the State immediate notice thereof and shall provide all assistance required by the State in the State's defense. The State shall give the Contractor written notice of any such claim or suit, and the Contractor shall have full right and obligation to conduct the Contractor's own defense thereof. Nothing contained herein shall be deemed to accord to the Contractor, through its attorney(s), the right to represent the State of Tennessee in any legal matter, such rights being governed by *Tennessee Code Annotated*, Section 8-6-106.
- E.14. Partial Takeover. The State may, at its convenience and without cause, exercise a partial takeover of any service which the Contractor is obligated to perform under this Contract, including but not limited to any service which is the subject of a subcontract between Contractor and a third party, although the Contractor is not in breach (hereinafter referred to as "Partial Takeover"). Said Partial Takeover shall not be deemed a Breach of Contract by the State. Contractor shall be given at least 30 days prior written notice of said Partial Takeover with said notice to specify the area(s) of service the State will assume and the date of said assumption. Any Partial Takeover by the State shall not alter in any way Contractor's other obligations under this Contract. The State may withhold from amounts due the Contractor the amount the Contractor would have been paid to deliver the service as determined by the State. The amounts shall be withheld effective as of the date the State assumes the service. Upon Partial Takeover, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- E.15. Federal Funding Accountability and Transparency Act (FFATA). This Contract requires the Contractor to provide supplies and/or services that are funded in whole or in part by federal funds that are subject to FFATA. The Contractor is responsible for ensuring that all applicable requirements, including but not limited to those set forth herein, of FFATA are met and that the Contractor provides information to the State as required.

The Contractor shall comply with the following:

- a. Reporting of Total Compensation of the Contractor's Executives.
- (1) The Contractor shall report the names and total compensation of each of its five most highly compensated executives for the Contractor's preceding completed fiscal year, if in the Contractor's preceding fiscal year it received:
- i. 80 percent or more of the Contractor's annual gross revenues from Federal procurement contracts and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and
 - ii. \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts), and Federal financial assistance subject to the Transparency Act (and subawards); and



- iii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/execomp.htm>.)

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

- (2) Total compensation means the cash and noncash dollar value earned by the executive during the Contractor's preceding fiscal year and includes the following (for more information see 17 CFR 229.402(c)(2)):

- i. Salary and bonus.
- ii. Awards of stock, stock options, and stock appreciation rights. Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2004) (FAS 123R), Shared Based Payments.
- iii. Earnings for services under non-equity incentive plans. This does not include group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of executives, and are available generally to all salaried employees.
- iv. Change in pension value. This is the change in present value of defined benefit and actuarial pension plans.
- v. Above-market earnings on deferred compensation which is not tax qualified.
- vi. Other compensation, if the aggregate value of all such other compensation (e.g. severance, termination payments, value of life insurance paid on behalf of the employee, perquisites or property) for the executive exceeds \$10,000.

- b. The Contractor must report executive total compensation described above to the State by the end of the month during which this Contract is awarded.
- c. If this Contract is amended to extend its term, the Contractor must submit an executive total compensation report to the State by the end of the month in which the amendment to this Contract becomes effective.
- d. The Contractor will obtain a Data Universal Numbering System (DUNS) number and maintain its DUNS number for the term of this Contract. More information about obtaining a DUNS Number can be found at: <http://fedgov.dnb.com/webform/>

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



E.16. TRANSFER OF CONTRACTOR'S OBLIGATIONS

- a. The Contractor shall immediately notify the State in writing of a proposed merger, acquisition or sale of its business operation, or the part of its business operation that provides services under this Contract, or that this Contract will be sold to or assumed by another entity. The entity that is proposed to assume the Contractor's duties under this Contract, whether through merger, acquisition, sale or other transaction, will be hereinafter described as the New Entity.
- b. The Contractor (or, if the Contractor no longer exists as a legal entity, the New Entity) will provide to the State within a reasonable time, information that the State may require about the merger, acquisition or sale, which may include
 - i. the date and terms of the merger, acquisition or sale, including specifically, but not limited to, adequate documentation of the financial solvency and adequate capitalization of the proposed New Entity
 - ii. evidence of financial solvency and adequate capitalization of the proposed New Entity which may consist of,
 - (1) Debt;
 - (2) Assets;
 - (3) Liabilities;
 - (4) Cash flow
 - (5) Percentage of the total revenues of the company that are represented by this Contract;
 - (6) The most recent annual financial reports;
 - (7) The most recent annual financial reports filed with government agencies, if applicable.
 - iii. a complete description of the relationship of any New Entity to any parent company or subsidiary or division resulting from the merger, acquisition or sale of the original Contractor's business or the part of the original Contractor's business that provides services under this Contract or from assumption by, or sale to, another entity of the contract itself, including:
 - (1) the names and positions of corporate or company officers, project managers, other Contractor management staff with responsibilities under the Contract, and numbers and the type of technical or other personnel who will be responsible for fulfilling the obligations of the Contract, and any subcontracts that will be used to provide any personal or other services under the Contract by the New Entity and,
 - (2) an organizational chart clearly describing the organizational structure of the New Entity, parent company, subsidiary, division or other unit of the entity or parent company with which it has merged or by which it, or the Contract, has been acquired.
 - iv. Such additional evidence of financial solvency, adequate capitalization and information regarding corporate organizational and personnel assigned to the Contract as the State determines is necessary to evaluate the status of the proposed or consummated merger, acquisition or sale.
- c. The original Contractor shall immediately notify the State in writing in the event of a change in its legal name and/or Federal Employer Identification Number (FEIN). The Contractor shall comply with State requests for copies of any documents that have been filed with state corporate records officials or other officials in the state of its incorporation that verify the name change and a narrative description of the reasons for the name change. If a New Entity has succeeded to the interest of the original Contractor, it shall immediately provide the State written notification of its Federal Employer Identification



Number (FEIN), its complete corporate name, State of incorporation, and other documentation required to effectuate the transfer.

- d. Notwithstanding any other provisions of this Contract to the contrary, the State may immediately terminate this Contract in whole or in stages in the event that it determines that the New Entity
 - i. has been debarred from State or Federal contracting in the past five years
 - ii. has had a contract terminated for cause by the State of Tennessee within the past five years.

The Contractor shall be entitled to compensation for satisfactory, authorized service completed as of the termination date, but in no event shall the State be liable to the Contractor or New Entity for compensation for any service which has not been rendered. Upon such termination, the Contractor or New Entity shall have no right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

- e. The New Entity shall provide to the State within ten (10) business days of the State's request, a notarized statement signed by an individual authorized to bind the New Entity certifying that all liabilities and obligations incurred by the former Contractor are assumed by the New Entity.
- f. If the New Entity owes money to the State of Tennessee, it acknowledges that Tennessee Code Annotated Section 9-4-604 requires repayment of these funds and will enter into a legally binding agreement for repayment.

TELVENT USA, LLC:

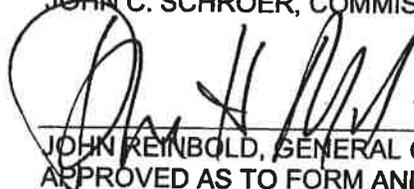


 CONTRACTOR SIGNATURE 5/7/14
 DATE
 Steve Haddix, Vice President, Services

 PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)

TENNESSEE DEPARTMENT OF TRANSPORTATION:



 JOHN C. SCHROER, COMMISSIONER 5/16/14
 DATE


 JOHN REINBOLD, GENERAL COUNSEL 5/15/14
 APPROVED AS TO FORM AND LEGALITY DATE



ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE

SUBJECT CONTRACT NUMBER:	
CONTRACTOR LEGAL ENTITY NAME:	TELVENT USA, LLC
FEDERAL EMPLOYER IDENTIFICATION NUMBER: (or Social Security Number)	32-0362176

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

CONTRACTOR SIGNATURE

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

Steve Haddix, Vice President, Services

PRINTED NAME AND TITLE OF SIGNATORY

5/7/14

DATE OF ATTESTATION