



September 13, 2019

Krista Lee Carsner, Director
Fiscal Review Committee
Cordell Hull Building
425 5th Avenue North, G-102
Nashville, TN 37243-0057

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

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

RE: Proposed Amendment One (1) to Edison Contract 58113

Dear Director Carsner, Chief Perry, and Comptroller Wilson:

The Department of Safety and Homeland Security (TDOSHS) is requesting the approval to amend the current thirty-six (36) month contract with ██████████ LLC to add appropriate funding for possible upgrades as a result of new legislation and for continued maintenance and support of the current Tennessee Driver's License System, Automated License Issuance System for Tennessee (A-LIST)

██████████ Enterprises, LLC will perform the necessary changes and upgrades to the system and continue to ensure that maintenance and support is offered to the State for the system throughout the term of the contract if the maximum liability is increased.

During the implementation of the A-LIST system, the Contractor collaborated with the State to ensure that the new system allowed for significant improvements within the new Driver's License system that included customer service improvements (wait time reduction and better response time to inquiries), REAL ID compliance, fraud reduction, and efficiency and process cost reduction. The Contractor worked with the State to reengineer the previous DL processes to deliver a full set of updated process flows that allowed for the modernization and streamlining of the Tennessee's driver license and photo identification issuance processes.

Through the amendment, the agency seeks to add appropriate funding for enhanced and concealed handgun carry permits and restricted commercial driver license farm license upgrades. The current maximum liability of \$11,990,000.00 will be increased by an additional \$1,750,000.00 for a total of \$13,740,000.00.

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

Sincerely,

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

Sonya Hadley, Budget Director

Cc: Shoney Naquin, Procurement Supervisor
Sandra Braber-Grove, Assistant General Counsel

Supplemental Documentation Required for
Fiscal Review Committee

*Contact Name:	Shoney Naquin	*Contact Phone:	615-251-5238
*Presenter's name(s):	Director Michael Hogan, Sonya Hadley, Sandra Braber-Grove		
Edison Contract Number: <i>(if applicable)</i>	58113	RFS Number: <i>(if applicable)</i>	34901-00531
*Original or Proposed Contract Begin Date:	March 1, 2019	*Current or Proposed End Date:	February 28, 2022
Current Request Amendment Number: <i>(if applicable)</i>	01		
Proposed Amendment Effective Date: <i>(if applicable)</i>	November 12, 2019		
*Department Submitting:	Safety and Homeland Security		
*Division:	Fiscal Services		
*Date Submitted:	September 13, 2019		
*Submitted Within Sixty (60) days:	Yes		
<i>If not, explain:</i>	Not Applicable		
*Contract Vendor Name:	[REDACTED] LLC.		
*Current or Proposed Maximum Liability:	\$ 13,740,000.00		
*Estimated Total Spend for Commodities:	None		
*Current or Proposed Contract Allocation by Fiscal Year: (as Shown on Most Current Fully Executed Contract Summary Sheet)			
FY: 2019	FY: 2020	FY: 2021	FY: 2022
\$ 1,116,666.64	\$ 5,375,000.00	\$ 4,915,000.00	\$ 2,333,333.36
*Current Total Expenditures by Fiscal Year of Contract: (attach backup documentation from Edison)			
FY: 2019	FY: 2020	FY: 2021	FY: 2022
\$ 1,116,666.64	\$ 5,375,000.00		
IF Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:	The contract allocation has not been greater than the contract expenditures.		
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:	\$ 13,740,000.00	Federal:	\$0.00
<i>Interdepartmental:</i>	\$0.00	<i>Other:</i>	\$0.00
If “ <i>other</i> ” please define:			
If “ <i>interdepartmental</i> ” 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 Contract	
*What were the projected costs of the service for the entire term of the contract prior to contract award? How was this cost determined?		\$11,990,000.00; This cost was determined through quotes provided by the Sole Source Contractor.	
*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.		Other potential vendors could not provide this service due to intellectual property constraints with [REDACTED], LLC.. The requested continued maintenance and support services needed for the Automated License Issuance System for Tennessee (“ALIST”) maintenance, upgrades, and enhancements could only be acquired through the sole-source procurement method, because ALIST was designed, implemented, and are currently being maintained by this Contractor. The core software being utilized in ALIST is the intellectual property of the Contractor; therefore, it cannot be supported by another Contractor.	

Purchase Orders against a Cont

Contract Number = 00000000000000000058113

Contract	Unit	PO No.	Line	SetID	PO Date	Quantity	UOM	PO Amount	Contract Max. Amt	Contract Remaining Amt
00000000000000000000000058113	34901	0000041857	1	SHARE	4/10/2019	1.0000	DO	291666.660	11990000.000	10365000.020
00000000000000000000000058113	34901	0000042121	1	SHARE	5/14/2019	1.0000	DO	291666.660	11990000.000	10365000.020
00000000000000000000000058113	34901	0000042294	1	SHARE	6/4/2019	1.0000	DO	291666.660	11990000.000	10365000.020
00000000000000000000000058113	34901	0000042469	1	SHARE	6/27/2019	1.0000	DO	291666.660	11990000.000	10365000.020
00000000000000000000000058113	34901	0000042924	1	SHARE	8/9/2019	1.0000	DO	458333.340	11990000.000	10365000.020

cy19-14170

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: AgSprs.Agspr@tn.gov

APPROVED

Michael F. Perry, Chief
Procurement Officer by
T. L. Stuart CPO
Attorney

Digitally signed by Michael F. Perry, Chief
Procurement Officer by T. L. Stuart CPO Attorney
DN: cn=Michael F. Perry, Chief Procurement
Officer by T. L. Stuart CPO Attorney, o=Central
Procurement Office, ou=DGS,
email=toni.stuart@tn.gov, c=US
Date: 2019.09.12 11:47:23 -05'00'

CHIEF PROCUREMENT OFFICER

DATE

Agency request tracking #	34901-00531	
1. Procuring Agency	Tennessee Department of Safety and Homeland Security (TDOSHS)	
2. Contractor	[REDACTED] LLC	
3. Edison contract ID #	58113	
4. Proposed amendment #	01	
5. Contract's Original Effective Date	March 01, 2019	
6. Current end date	February 28, 2022	
7. Proposed end date	February 28, 2022	
8. Current Maximum Liability or Estimated Liability	\$ 11,990,000.00	
9. Proposed Maximum Liability or Estimated Liability	\$ 13,740,000.00	
10. Strategic Technology Solutions Pre-Approval Endorsement Request – information technology service (N/A to THDA)	<input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Attached	
11. eHealth Pre-Approval Endorsement Request – health-related professional, pharmaceutical, laboratory, or imaging	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached	
12. Human Resources Pre-Approval Endorsement Request – state employee training service	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached	
13. Explain why the proposed amendment is needed	The proposed amendment is needed to add appropriate funding for possible upgrades as a result of new legislation and continued maintenance and support of the Automated License Issuance System for Tennessee (A-LIST).	
14. If the amendment involves a change in Scope, describe efforts to identify reasonable, competitive, procurement alternatives to amending the contract.	The amendment does involve changes to the Scope of Services to cover the possibility of upgrades needed as a result of legislation concerning the concealed carry handgun permits, as well as, changes to a Commercial Driver License ("CDL") Class B and CDL Class C related to a farm license restriction.	
Signature of Agency Head or Authorized Designee, Title of Signatory, and Date (the authorized designee may sign his or her own name if indicated on the Signature Certification and Authorization document)		
 Jeff Long, Commissioner		9-10-19 DATE



CONTRACT AMENDMENT COVER SHEET

Agency Tracking # 34901-00531	Edison ID 58113	Contract # 58113	Amendment # 01		
Contractor Legal Entity Name [REDACTED] LLC.			Edison Vendor ID 0000162641		
Amendment Purpose & Effect(s) This Amendment One (01) is to add appropriate funding for possible upgrades as a result of new legislation and continued maintenance and support of the Automated License Issuance System for Tennessee (A-LIST).					
Amendment Changes Contract End Date: <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO		End Date: February 28, 2022			
TOTAL Contract Amount INCREASE or DECREASE per this Amendment (zero if N/A):			\$ 1,750,000.00		
Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2019	\$1,116,666.64	\$0.00	\$0.00	\$0.00	\$1,116,666.64
2020	\$5,375,000.00	\$0.00	\$0.00	\$0.00	\$5,375,000.00
2021	\$4,915,000.00	\$0.00	\$0.00	\$0.00	\$4,915,000.00
2022	\$2,333,333.36	\$0.00	\$0.00	\$0.00	\$2,333,333.36
TOTAL:	\$13,740,000.00	\$0.00	\$0.00	\$0.00	\$13,740,000.00
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 01
OF CONTRACT 58113**

This Amendment is made and entered by and between the State of Tennessee, Department of Safety and Homeland Security, hereinafter referred to as the "State" and [REDACTED] 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. Contract Section A.10. is deleted in its entirety and replaced with the following:
 - A.10. Court Disposition Reporting ("CDR"), Enhanced and Concealed Handgun Carry Permits, and Restricted CDL Farm License Upgrades to [REDACTED]
 - a. Court Disposition Reporting ("CDR") Upgrade:
 - (1) The Contractor shall continue work on the ALIST portion of the CDR upgrade, through full implementation and including any interface work that might be needed between ALIST and the Tennessee Integrated Traffic Analysis Network (TITAN) system. Further detail and scope will be mutually agreed upon by the State and Contractor and reduced to writing. Following full implementation, the Contractor shall support and maintain the CDR portion of ALIST in accordance with the terms of this Contract.
 - b. Enhanced Handgun Carry Permit ("EHCP") Transactions and Concealed Handgun Carry Permit ("CHCP") Upgrade. The Contractor shall provide two (2) additional full time employees to perform the following services:
 - (1) The Contractor shall modify transactions related to the handgun carry permit as follows:
 - i. Change all existing [REDACTED] (including any portals and web services) verbiage to "Enhanced Handgun Carry Permit" ("EHCP");
 - ii. Update Credential interface to send new verbiage;
 - iii. Update any existing letters and correspondence with the new verbiage; and
 - iv. Update [REDACTED] reports to report off the "Enhanced" flag;
 - (2) The Contractor shall create the CHCP, which requires the following changes:
 - i. Create a new eight (8) year CHCP Credential type by making the following changes within [REDACTED]
 - (a) Create new eligibility criteria for the eight (8) year transactions;
 - (b) Update the account status calculations to use either EHCP or the new eight (8) year CHCP;
 - (c) Update all the handgun carry permit suspension and revocation logic to apply to the CHCP;
 - (d) Update handgun EVAL code and configuration to handle the new Credential type;

- (e) Update issuance processing code and configuration to handle the new Credential type;
 - (f) Update the expiration date calculator to allow eight (8) year concealed handgun carry permits;
 - (g) Update the fee calculator to handle how the new eight (8) year concealed handgun carry permit will or will not charge fees;
 - (h) Update the exam requirements for the new CHCP;
 - (i) Add new account indicators for the new Credential type;
 - (j) Allow for acceptance of new document types;
 - (k) Allow certain document types to be valid or used even if over eight (8) years old;
 - (l) Create a nightly job to create work items for the State's handgun carry permit unit to work for different requirements;
 - (m) Create new task queues for the State's handgun carry permit unit to manage the new work being created by the work items created during the nightly job described above in Section A.10.b.(2)i.(l); and
 - (n) Create a new certificate for the CHCP;
- ii. Create the following transactions within [REDACTED]
 - (a) Original transaction for a new eight (8) year concealed handgun carry permit;
 - (b) Duplicate transaction for a copy of the existing eight (8) year concealed handgun carry permit;
 - (c) Renewal transaction to allow for the renewal of the eight (8) year concealed handgun carry permit after or near its expiration date; and
 - (d) Upgrade transaction to allow for the upgrade to an EHCP from an eight (8) year CHCP;
 - iii. Create the Original, Duplicate, and Renewal transactions described above in Sections A.10.b.(2)ii.(a) through A.10.b.(2)ii.(d) on the Contractor's eServices web portal;
 - iv. Update the Frequently Asked Questions ("FAQ") section of the Contractor's eServices web portal;
 - v. Create a new mailed-in renewal process within [REDACTED] for these transaction types (i.e., update the existing mailed-in renewal notice to allow for either transaction type: EHCP or CHCP);
 - vi. Create new letters and correspondence for these Credential types; and
 - vii. Create new reports to track the transactions for these Credential types;
- (3) The Contractor shall update all interfaces related to the issuance of handgun carry permits and update the name search process;

- (4) The Contractor shall update handgun carry permit licensing files to account for the new CHCP;
- (5) The Contractor shall provide end user training to State designated personnel, which shall provide a comprehensive overview of the changes to the handgun carry permit transactions and the new CHCP upgrade, so that the State's designated personnel have the knowledge to complete transactions within [REDACTED] with minimal interruptions;
- (6) In conjunction with the State and State-approved vendors, the Contractor shall perform testing on any upgrades and changes to the handgun carry permit transactions prior to installing or implementing the upgrade and changes into production. In performing the testing on a new version/upgrade of the software, the Contractor shall certify in writing to the State that all the previous [REDACTED] business capabilities still work in accordance with the Contract requirements; and
- (7) The Contractor shall update existing State approved project efforts that have been approved to add handgun carry permit transactions.

c. Restricted CDL Farm License Upgrade:

- (1) The Contractor shall create a restriction within [REDACTED] for the CDL Class B and CDL Class C related to a farm license. The creation of the restriction requires the following changes within [REDACTED]
 - i. Waive all skills and knowledge testing requirements for this type of Credential;
 - ii. Change the expiration date from eight (8) years from the date of issuance to just one (1) year from the date of issuance for this type of Credential;
 - iii. Calculate the fees differently from a regular CDL;
 - iv. Allow this type of Credential to be treated as a full CDL Class B or CDL Class C for no more than one hundred eighty (180) days in a calendar year; and
 - v. Disallow renewals — applicants shall be required to renew this Credential type in person on an annual basis;
- (2) The Contractor shall update the interface for the State's Contractor for Credential production and issuance;
- (3) Update the type of breeder documents in [REDACTED] that would need to be accepted for this Credential type;
- (4) Update applicant testing requirements within [REDACTED]
- (5) Update transaction flows within [REDACTED]. These transaction flows shall include:
 - i. Downgrades;
 - ii. Upgrades; and
 - iii. Modification of endorsements;
- (6) Update eligibility requirements in [REDACTED] for residents of Tennessee for transactions concerning this Credential type;

- (7) Suspend this Credential type if a driver is convicted of a violation during the duration of this Credential type;
- (8) Create and update reports in [REDACTED] related to this Credential type;
- (9) Create and update letters and correspondence in [REDACTED] related to this Credential type; and
- (10) In conjunction with the State and State-approved vendors, perform and coordinate regression and other testing on any upgrades and changes prior to installing or implementing the upgrade and changes into production. In performing the regression testing on a new version/upgrade of the software, the Contractor shall certify in writing to the State that all the previous [REDACTED] business capabilities still work in accordance with the Contract requirements.

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

C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed Thirteen Million Seven Hundred Forty Thousand Dollars and Zero Cents (\$13,740,000.00) ("Maximum Liability"). This Contract does not grant the Contractor any exclusive rights. The State does not guarantee that it will buy any minimum quantity of goods or services under this Contract. Subject to the terms and conditions of this Contract, the Contractor will only be paid for goods or services provided under this Contract after a purchase order is issued to Contractor by the State or as otherwise specified by this Contract.

3. Contract Section C.3.b. is deleted in its entirety and replaced with the following:

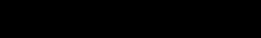
b. The Contractor shall be compensated based upon the following payment methodology:

Goods or Services Description	Amount* (per compensable increment)
Completion of Level 3 and Services provided as described in Sections A.8. and A.9.	Four (4) equal payments of \$291,666.66 each and Eight (8) equal payments of \$291,666.67 each per year during the Term. Payments will be made monthly in arrears.
Completion of Court Disposition Reporting Upgrade (see Section A.10.a.)	One (1) payment of \$ 125,000.00
Completion of Enhanced and Concealed Handgun Carry Permit Upgrade (see Section A.10.b.)	Six (6) equal payments of \$166,666.67 each, followed by three (3) equal payments of \$166,666.66 each. Payments will be made monthly in arrears
Completion of Restricted CDL Farm License Upgrade (see Section A.10.c.)	Two (2) monthly payments of \$125,000.00

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 November 11, 2019. All other terms and conditions of this Contract not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF,

 **LLC:**

SIGNATURE **DATE**

PRINTED NAME AND TITLE OF SIGNATORY (above)

DEPARTMENT OF SAFETY AND HOMELAND SECURITY:

JEFF LONG, COMMISSIONER **DATE**

**CONTRACT**

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

Begin Date March 1, 2019	End Date February 28, 2022	Agency Tracking # 34901-00531	Edison Record ID 58113		
Contractor Legal Entity Name [REDACTED] LLC			Edison Vendor ID 0000162641		
Goods or Services Caption (one line only) Automated License Issuance System for Tennessee (ALIST) maintenance, upgrades, and enhancements					
Contractor <input checked="" type="checkbox"/> Contractor		CFDA #			
Funding					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2019	\$4,080,000.00	\$0.00	\$0.00	\$0.00	\$4,080,000.00
2020	\$3,955,000.00	\$0.00	\$0.00	\$0.00	\$3,955,000.00
2021	\$3,955,000.00	\$0.00	\$0.00	\$0.00	\$3,955,000.00
TOTAL:	\$11,990,000.00	\$0.00	\$0.00	\$0.00	\$11,990,000.00
Contractor Ownership Characteristics:					
<input type="checkbox"/> Minority Business Enterprise (MBE): <input type="checkbox"/> African American <input type="checkbox"/> Asian American <input type="checkbox"/> Hispanic American <input type="checkbox"/> Native American					
<input type="checkbox"/> Woman Business Enterprise (WBE)					
<input type="checkbox"/> Tennessee Service Disabled Veteran Enterprise (SDVBE)					
<input type="checkbox"/> Disabled Owned Business (DSBE)					
<input type="checkbox"/> Tennessee Small Business Enterprise (SBE): \$10,000,000.00 averaged over a three (3) year period or employs no more than ninety-nine (99) employees.					
<input type="checkbox"/> Government <input type="checkbox"/> Non-Minority/Disadvantaged <input checked="" type="checkbox"/> Other:					
Selection Method & Process Summary (mark the correct response to confirm the associated summary)					
<input type="checkbox"/> Competitive Selection					
<input checked="" type="checkbox"/> Other					
The agency received an approved Special Contract Request (SCR) to procure these services.					
Budget Officer Confirmation: There is a balance in the appropriation from which obligations hereunder are required to be paid that is not already encumbered. Digitally signed by Sonya Hadley DN: cn=Sonya Hadley, o=TN Dept of Safety and Homeland Security, ou=TDOSHS - Budget Division, email=sonya.hadley@tn.gov, c=US Date: 2019.02.26 18:47:52 -06'00'					
Speed Chart (optional)			Account Code (optional)		

**CONTRACT
BETWEEN THE STATE OF TENNESSEE,
DEPARTMENT OF SAFETY AND HOMELAND SECURITY
AND
[REDACTED] LLC**

This Contract, by and between the State of Tennessee, Department of Safety and Homeland Security ("State") and [REDACTED] LLC ("Contractor"), is for the provision of maintenance and support, upgrades, and enhancements for the Automated License Issuance System for Tennessee ("ALIST"), as further defined in the "SCOPE." State and Contractor may be referred to individually as a "Party" or collectively as the "Parties" to this Contract.

The Contractor is a Limited Liability Corporation.
Contractor Place of Incorporation or Organization: New York
Contractor Edison Registration ID # 0000162641

A. SCOPE:

A.1. The Contractor shall provide all goods or services and deliverables (collectively the "Services") as required, described, and detailed below and shall meet all service and delivery timelines as specified by this Contract.

A.2. Background.

a. The State's Driver Services Division is responsible for issuing driver licenses, non-driver identification cards, and handgun carry permits (collectively the "Credentials"), as well as, maintaining, updating, and adding data to the State's current driver records management system for Tennessee residents. Current processes include:

- (1) A records management system that allows for creating and maintaining Tennessee driver records;
- (2) A central issuance process for permanent (hard plastic) Credentials produced at a restricted, secure, off-site facility;
- (3) Over-the-counter issuance for interim (paper) Credentials at all Driver Services Centers ("DSC" or "DCSs") and the State's third party partner locations throughout Tennessee;
- (4) In-house, over-the-counter issuance for restricted and special handling/confidential Credentials as well as internet and mail renewals; and
- (5) Several self-service channels (e.g., e-Services, self-service kiosks, iPads, etc.) for renewing and ordering duplicates of a Credential.

b. Operations. There are forty four (44) State-operated DCSs and up to sixty (60) Third Party Partners located in eight (8) districts across the State covering two (2) time zones (Eastern and Central). The DSCs are typically open two hundred forty-eight (248) days per year, Monday through Friday, 8:30 am-5:00 pm local time. The hours of third party partners may be similar. Operating days and hours are subject to change. (Details found at www.tn.gov/safety). Other operations performed by DCSs include:

- (1) Issuing permanent (non-expiring) photo identification for certain non-drivers;
- (2) Protecting the integrity and security of the process of issuing Credentials;
- (3) Conducting driver and motorcycle safety programs;
- (4) Detecting and investigating fraud;

- (5) Administering Tennessee laws as applied to driver activity actions, and holding licensing hearings;
 - (6) Overseeing the ignition interlock program;
 - (7) Informing citizens about actions impacting their Credentials (suspensions, revocations, renewals);
 - (8) Facilitating the registration of Tennessee voters;
 - (9) Conducting driver improvement hearings; and
 - (10) Maintaining a call center to assist citizens.
- c. Transactions.
- (1) DSCs and third party partners process the majority of the transactions requiring image capture, interim print, document printing and document scanning;
 - (2) Tennessee has approximately six (6) million driver licenses and photo-identification license holders. The State currently stores over twenty-five million facial images and over twenty million signature images; and
 - (3) The State serves approximately one million three hundred thousand customers per year, generating approximately one million nine hundred thousand transactions per year.
- d. Records Management and Handgun Carry Permit eServices. The State meets its driver record and related records management obligations with the Automated License Issuance System for Tennessee ("ALIST"). ALIST is a comprehensive, integrated suite of applications and functionalities that manages the business processes of the State's Driver Services Division and the State's Handgun Unit. ALIST contains driver records, the driver knowledge testing system, handgun carry permit records, and the Handgun Carry Permit eServices System ("HESS") that manages the handgun carry permit application process, handgun safety school training requirement process, and interfaces with ALIST as needed to complete handgun carry permit application processes.

A.3. Definitions.

- a. American Association of Motor Vehicle Administration ("AAMVA"): The term "American Association of Motor Vehicle Administration" or acronym "AAMVA" refers to a non-governmental, voluntary, tax-exempt, nonprofit educational association; AAMVA is a private corporation that develops model programs in motor vehicle administration, police traffic services, and highway safety.
- b. Automated License Issuance System for Tennessee ("ALIST"): The term "Automated License Issuance System for Tennessee" or acronym "ALIST" shall mean the State's current system of driver records, driver knowledge testing, and handgun carry permit records. ALIST is a comprehensive, integrated suite of applications and functionalities that manages the business processes of the State's Driver Services Division and the State's Handgun Unit.
- c. Commercial Driver License ("CDL"): The term "Commercial Driver License" or acronym "CDL" shall mean a driver license issued to commercial drivers.
- d. Commercial Driver License Information System ("CDLIS"): The term "Commercial Driver License Information System" or acronym "CDLIS" shall have the meaning ascribed to it in Section A.5.c.(1)(i) of the Contract.

- e. Credential or Credentials: The terms "Credential" or "Credentials" means any form of identification issued by the State, to include but not be limited to the following: driver license, photo identification card, and handgun carry permit.
- f. Driver Services Centers ("DSC"): The term "Driver Services Centers" or acronym "DSC" shall have the meaning ascribed to it in Section A.2.b of this Contract.
- g. Driver Services Knowledge Testing System ("DSTS"): The term "Driver Services Knowledge Testing System" or acronym "DSTS" means the system utilized by the State for driver testing.
- h. Extensible Markup Language ("XML"): The term "Extensive Markup Language" or acronym "XML" means a markup language that defines a set of rules for encoding documents in a format that is both human-readable and machine-readable.
- i. [REDACTED] The software owned by the Contractor that is the basis of the ALIST system. [REDACTED] includes documentation, data, tools and utilities that may be provided by the Contractor as part of the [REDACTED] package, as well as any fixes, enhancements, additions, and other modifications thereto.
- j. Handgun Carry Permit eServices System ("HESS"): The term "Handgun Carry Permit eServices System" or acronym "HESS" shall have the meaning ascribed to it in Section A.5.b. of this Contract.
- k. National Change of Address ("NCOA"): The term "National Change of Address" or acronym "NCOA" means a secure dataset of change-of-address records consisting of the names and addresses of individuals, families and businesses who have filed a change-of-address with the United States Postal Service.
- l. Quality Assurance ("QA"): The term "Quality Assurance" or acronym "QA" shall have the meaning ascribed to it in Section A.6.b. of this Contract.
- m. Services: The term "Services" shall mean all goods, services, or deliverables required by this Contract, including the Services described in Sections A. 8. and 9. of this Contract.
- n. Service Pack or Sync Pack: The terms "Service Pack" or "Sync Pack" shall mean a packaged set of repaired defects, enhancements to existing ALIST, and occasionally new ALIST components. Each Sync Pack is provided with documentation that identifies affected ALIST components and classifies the Service Pack item as low, medium, or high impact.
- o. Social Security Online Verification: The term "Social Security Online Verification" or acronym "SSOLV" shall the online system maintained by the Social Security Administration for verifying social security information.
- p. State or state: The term "State" shall refer to the state of Tennessee as its interests appear or the context requires. The term "state" shall refer to the states and territories of the United States (other than the state of Tennessee) as the context requires.
- q. State's Enterprise Information Technology and Security Policies: The term "State's Enterprise Information Technology and Security Policies" shall mean the information security policies, along with the organization and framework, required to implement and support these policies. The policies establish the minimum requirements necessary to protect the State's information against unavailability, unauthorized access, destruction,

and disclosure. These policies have been forth by the Information Systems Council of the State.

- q. State Pointer Exchange Services (“SPEXs”): The term “State Pointer Exchange Services” or acronym “SPEXs) shall mean a system that allows states to electronically check with all other participating states to determine if an applicant currently holds a driver license or identification card in another state.
- r. Structured Query Language (“SQL”): The term “Structured Query Language” or acronym “SQL” shall mean a standard computer language for relational database management and data manipulation. SQL is used to query, insert, update and modify data.
- s. United States Passport Verification Services: The term “United States Passport Verification Services” or acronym “USPVS” shall mean the organization that allows the Driver License Agencies’ to verify US Passport document data against the Department of Homeland Security’s backend systems, and is established to assist states in issuing more secure driver licenses and identification cards.
- t. Verification of Lawful Status (“VLS”): The term “Verification of Lawful Status” or acronym “VLS” shall mean the ability or process of verifying a person’s legal status in this country through documentation for purposes of issuing Credentials or verifying an applicant’s identity.
- u. Web Service: The term “Web Service” shall mean any piece of software that makes it available over the Internet and uses a standardized XML messaging system.

A.4. Currently Implemented ALIST Functionality and Architecture.

- a. ALIST Technology Objectives/Functionality.
 - (1) ALIST has been implemented to be hardware agnostic to ensure ALIST can effectively share data and information with other law enforcement and public safety agencies, courts, and other state and federal departments.
 - (2) ALIST has been receiving periodic updates, or “Service Packs” provided by Contractor.
 - (3) ALIST has been designed to support a fully scalable architecture allowing incremental changes in capacity to meet changing usage.
 - (4) ALIST has the capacity to test new development and enhancements prior to implementation into the production environment.
 - (5) All components and applications are operational in an electronic environment, unless otherwise noted.
 - (6) ALIST is capable of accepting files or data feeds from other systems.
 - (7) ALIST interfaces with the State’s current Credential production and issuance solution and ALIST has the ability to provide cross-jurisdictional information resources for local law enforcement agencies, courts, and other state and federal departments.
 - (8) ALIST is capable of accommodating future projects.
- b. ALIST Architecture.

- (1) ALIST supports multiple operating environments, each with their own separate security roles to allow users to have different permission levels in each environment.
 - (2) ALIST supports separate tiered layers to provide security between different components of the systems such as, but not limited to: database resources, user interface layers, and application processing.
 - (3) ALIST supports a defined multi-environment “promote to production” process (e.g., development, test, quality assurance, training, production, etc.) supported by software distribution tools to facilitate migration.
- c. ALIST Hardware, Software, and Network Requirements.
- (1) Hardware Infrastructure:
 - i. ALIST Location. ALIST is and shall continue to be hosted on State-provided hardware within the State’s Data Center.
 - ii. Responsibility for Hardware. The State provides the workstations utilized by Contractor personnel located onsite at the State’s facility. The State reserves the right to add, change, reconfigure, consolidate, or eliminate hardware at any time to meet the best interests of the State.
 - ii. Use of Virtual Server Environment:
 - a. ALIST currently operates in the State’s virtual environment;
 - b. ALIST is currently compatible with the State Storage Area Network “SAN” or Network Attached Storage “NAS”.
 - (2) Software Infrastructure:
 - i. Client: Client-based tools function in either the [REDACTED] or [REDACTED] environment;
 - ii. Browser Based Applications: ALIST is a browser-based application that runs in current versions of Google Chrome;
 - iii. Database Technology: ALIST uses a relational database management system: [REDACTED]
 - (3) Network Requirements:

The State provides the network resources used by the Contractor and ALIST. The State reserves the right to add, change, reconfigure, consolidate, or eliminate network resources at any time to meet the best interests of the State.

A.5. Existing Functionality.

- a. ALIST currently supports the following functionality. Contractor shall not eliminate or remove any of the following functionalities during the Term of the Contract without mutual agreement of the Parties.
 - (1) Registering and validating a customer/account;
 - (2) Issuing a Credential;
 - (3) Tracking customer attributes/demographics;

- (4) Tracking Credential attributes;
- (5) Processing convictions posting from the court interface;
- (6) Maintaining the driving record;
- (7) Posting financial transactions;
- (8) Credential transaction processing (e.g., new resident applications, renewals, duplicates, suspensions, reinstatements, driver record management, etc.);
- (9) Driver Services Testing System (DSTS);
- (10) Handgun eServices (HESS) portals;
- (11) Workflow management;
- (12) Reporting capabilities;
- (13) Mail printing – Batch and Manual;
- (14) System audit and tracking;
- (15) Code control and code documentation;
- (16) System Security;
- (17) eServices;
- (18) Tracking the installation or un-installation of an ignition interlock device; and
- (19) Address verification.

b. . ALIST currently supports the following interfaces:

- (1) American Association of Motor Vehicle Administrators (“AAMVA”):
 - i. Commercial Driver’s License Information System (“CDLIS”);
 - ii. State Pointer Exchange Services (“SPEXs”);
 - iii. Social Security Online Verification (“SSOLV”);
 - iv. United States Passport Verification Services (“USPVS”); and
 - v. Verification of Lawful Status (“VLS”).
- (2) Call center scheduling and status interface with Avtex;
- (3) RTI – Commercial skills Test Information Management System (“CSTIMS”) interface;
- (4) DataCap/FileNet – Image retrieval and storage;
- (5) FIS – Credit Card Processing;
- (6) Interlock – Interlock device installation, removal and tracking;

- (7) iPad – The web service only, the front end will be maintained by the State;
- (8) Idemia – The credentialing interface for printing credentials;
- (9) Driver Lookup – Allows the ability to pull a motor vehicle record (“MVR”) through a web service;
- (10) Online Voter Registration (OVR) – Sends eligible customers to the Secretary of State for registration to vote;
- (11) Queuing – Interface to allow the queuing system to validate a driver;
- (12) Tennessee Information Enforcement System (“TIES”) – Allows law enforcement to look up a driver’s record;
- (13) Super Kiosk – Idemia’s product to issue as a standalone DSC *Renewal and Duplicate transactions only; and
- (14) Address validation through a web service.

c. ALIST currently supports 286 files. The major files include:

- (1) SR22-26 insurance files;
- (2) Bulk data files;
- (3) Boss or HotList file;
- (4) Bus downgrade file;
- (5) Court Document Reporting files – to be replaced by the CDR Web Service;
- (6) Motor voter file – 95 Counties;
- (7) Deceased file;
- (8) Department of Human Services files;
- (9) Department of Revenue files;
- (10) AAMVA files;
- (11) General Ledger and Inovah files;
- (12) County Driver file – Often referred as Jury Wheel 95 Counties;
- (13) National Change of Address (NCOA); and
- (14) Organ Donor files.

A.6. Development of New or Enhancement of Existing Functionalities.

The Contractor shall communicate to the State, in writing, all proposed changes to ALIST applications and static content prior to implementation of any change. Contractor changes to the Services it provides under this Contract will be presented to the State through the use of a Statement of Work. The State may request work items through the use of a Statement of Work in accordance with the Change Order process described in Section A.7. of this Contract.

A.7. Change Requests/Orders.

The State may, at its sole discretion and with written notice to the Contractor, request changes in the Scope that are necessary but were inadvertently unspecified in this Contract.

- a. Change Order Creation — After receipt of a written request for additional Services from the State, the Contractor shall respond to the State, within a maximum of ten (10) business days, with a written proposal for completing the Service. Contractor's proposal shall specify;
- (1) the effect, if any, of implementing any requested changes on all other Services required under this Contract;
 - (2) the specific effort involved in completing any requested changes;
 - (3) the expected schedule for completing any requested changes;
 - (4) the maximum number of person hours required for any changes; and
 - (5) the maximum cost for any requested changes — this maximum cost shall in no instance exceed the product of the person hours required multiplied by the appropriate payment rate proposed for such work unless the pricing was provided as a fixed cost.

The Contractor shall not perform any additional Services until the State has approved the proposal. If approved, the State will sign the proposal, and it shall constitute a Change Order between the Contract Parties pertaining to the requested changes and the changes shall be incorporated as a part of this Contract.

- b. Change Order Performance — Subsequent to creation of a Change Order, the Contractor shall complete the required Services. The State shall be the sole judge of the acceptable completion of work and, upon such determination, shall provide the Contractor written approval.
- c. Change Order Payment — The State shall only pay the Contractor for acceptable work. All acceptable work performed pursuant to an approved Change Order, without a formal amendment of this Contract, shall be paid in accordance with and further limited by Contract Section C.3.c., PROVIDED THAT, the State shall be liable to the Contractor for the cost of the actual goods or Services provided to complete the necessary work, not to exceed the maximum cost for the change detailed in the Change Order. In no instance shall the State be liable to the Contractor for any amount exceeding the maximum cost specified by the Change Order authorizing the Services. Upon State approval of the work, the Contractor shall invoice the State in accordance with the relevant provisions of this Contract.

A.8. Contractor Maintenance and Support Services for [REDACTED]

The Contractor shall provide Contractor personnel located on-site at a State designated, State-approved facility to perform the following tasks:

- a. Upgrades, Service Packs, or Sync Packs.
- (1) Service packs are scheduled to be released on a quarterly basis but may be released more or less frequently as required by the State. Service Packs released during the Term of this Contract shall be made available to the State. The Contractor shall implement a minimum of two (2) or up to a maximum of four (4) service packs a year to stay current with ALIST software. Service packs shall be implemented in accordance with the Contractor's implementation methodology. New and revised documentation including help files and configuration documents shall be delivered to the State with the appropriate

service packs, or new versions to the ALIST system. The service packs shall be categorized as follows:

- i. Low impact: ALIST component is backward compatible;
 - ii. Medium impact: ALIST component is backward compatible; configuration or documentation changes are required; or
 - iii. High impact: ALIST component requires new database structures, data fixes, or recompilation of site-specific components; existing business processes may be impacted.
- (2) Upgrades or new versions are released every few years. The timeline and scope for implementation of these upgrades or new versions will be at the discretion of the State in consultation with the Contractor. New versions shall be implemented in accordance with the Contractor's implementation methodology.
- b. Contractor Support for ALIST Requests for Fixes Related to [REDACTED] Service Packs or Sync Packs:
- (1) State designated personnel shall prioritize and manage ALIST requests based on priority level. The Contractor shall respond to and resolve ALIST requests based on a priority level set by the State with the understanding that resolution shall occur on a schedule mutually agreed upon by the Parties.
- c. Resolving ALIST Defects Related to Upgrades, Service Packs or Sync Packs in [REDACTED]
- (1) The Contractor shall resolve such defects within ALIST configurations and site modules based on log reports or end user notifications.
- d. Coordination with the Contractor's Development Center .
- (1) The Contractor shall coordinate with the State to align changes to core product functionality with the State's ALIST prior to implementing any such changes.
- e. Support Services and Maintenance
- (1) All Contractor provided maintenance and support shall be performed in the United States unless mutually agreed upon by both Parties.
 - (2) Support Services.
 - i. The Contractor shall be proactive in monitoring [REDACTED] and not rely solely on the State to notify the Contractor of systematic problems;
 - ii. The Contractor shall provide diagnostic support working within the State's security guidelines;
 - iii. Delivery of Maintenance and Support Services for core [REDACTED] Software (not site specific or configurations). The State reserves the right to request levels of priority for [REDACTED] issue and support problems. Contractor will assign the priority of the core [REDACTED] issue and support problem and shall determine the problem resolution response time as follows:

Priority Level	Response
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<p>A (High): Situations where [REDACTED] is not performing in accordance with the Contractor's specifications and production or mission critical business operations are being impacted. There is not a mutually agreed-upon workaround.</p>	<p>The Contractor shall start work immediately upon notification of the problem and will continue until the problem has been resolved. Dedicated resources shall be assigned to working on and resolving the defect. The solution shall be provided as a "hot", or critical, fix with specific instructions.</p>
<p>B (Medium): The [REDACTED] software is not performing in accordance with Contractor specifications but most business operations can be performed. A known workaround is available. The State is able to implement the workaround without severe interruption of the ALIST production process.</p>	<p>The Contractor shall acknowledge the problem within seven (7) calendar days from Contractor's notification of the problem. Work shall be started within fourteen (14) calendar days and performed during the Contractor's normal business hours. The resolution shall be incorporated into the next service pack released after the resolution has been completed.</p>
<p>C (Low): The State requires information or assistance on [REDACTED] capabilities, installation, and configuration or is requesting an enhancement. This shall include cosmetic and documentation issues that have little or no impact on ALIST production processes or ALIST productivity.</p>	<p>The Contractor shall acknowledge the problem within fourteen (14) calendar days from Contractor notification of the problem. Work shall be started and performed subject to resource availability. Enhancement requests may or may not be adopted. If an enhancement request is not adopted the State shall be informed. Low impact enhancement requests may be incorporated into the next service pack released after the resolution has been completed. All other implemented enhancement requests will be incorporated into the next version of [REDACTED] released after the resolution has been completed.</p>

- (3) Contractor Provided Phone and Online Support for [REDACTED]
- i. Onsite Contractor designated personnel, if any, shall serve as the initial point of contact for all [REDACTED] questions and issues.
 - ii. The Contractor shall provide unlimited [REDACTED] phone support between 8:00 a.m. to 5:00 p.m. Central Standard Time at a Contractor-provided toll-free phone number.
- (4) Maintenance Services.
- i. The Contractor shall provide to the State all service packs and new versions of [REDACTED]
 - ii. The Contractor shall perform regression testing on upgrades prior to installing/implementing the upgrades into production. In performing the regression testing on a new version/upgrade of the software, the Contractor shall certify in writing to the State that all the previous [REDACTED] business capabilities still work in accordance with the contract requirements.

- iii. Security Reviews. The State, in its sole discretion, may conduct a code review penetration testing or other security reviews in the production environment. The Contractor shall remedy any mutually agreed upon discrepancies found as a result of a penetration testing or security review.

- f. Prohibition against Illicit Code. The prohibitions in this section f. are intended to protect State systems and State Data from anything that could: i) cause harm to, or ii) inhibit State-authorized access to, or iii) enable non-State authorized access to State systems or State Data. These prohibitions are not intended to limit or restrict how the Contractor may perform valid duties under the Contract.
 - (1) The Contractor shall not, under any circumstances or conditions, install various disabling devices, access codes, traps, copy protection devices, keys, time or date bugs, lock-up or deactivating devices, time bombs, termination by remote access, removal of source code, or other programs or code in the software or work product that could erase, corrupt, restrict use of, modify any data of the State, freeze, interfere with, or prevent the State's use of the software or its computing environment, destroy or terminate software or work product or data contained in it, or bypass any internal or external software security measure in order to obtain access to the systems or data of the State without the written consent of the State. The Contractor warrants that no other similar types of electronic techniques will be used at any time in the future.
 - (2) In addition to the State's rights under Sections A.12 and A.13 of this Contract, the Contractor warrants, unless necessary perform valid duties under this Contract or verification is conducted and documentation is created as to not cause harm to the State's operating environment and utilization of ALIST, that any ALIST programs developed or provided by the Contract shall:
 - i. Not replicate, transmit, or activate itself without control of a person operating the computer equipment on which it resides;
 - ii. Not alter, damage, or erase any State data or computer programs without control of a person operating the computer equipment on which it resides;
 - iii. Contain no virus or similar code known or unknown to the Contractor; and
 - iv. Contain no enabled restrictive key, node lock, time-out or other function, whether implemented by electronic, mechanical, or other means, which limits or hinders the use or access to any software programs based on frequency or duration of use, or other such limiting criteria.

- g. Training
 - (1) The Contractor shall provide System Administrator training, which shall provide a comprehensive overview of Service Pack or Upgrades enhancements to ██████████ so that the State's technical staff will have the knowledge necessary to operate, troubleshoot, configure, integrate, test, and provide any other tasks in relation to the continuing operation of the ██████████ system.

A.9. Contractor Additional Support and Maintenance Tasks for ALIST.

The Contractor shall provide two (2) additional full-time ("FT") Contractor personnel in addition to the on-site personnel provided in Section A.8., to assist with the tasks listed below in Sections A.9.a. through A.9.o., upon request by the State. The State recognizes that due to the limited

number of Contractor personnel onsite, not all tasks can be completed simultaneously. The State will prioritize and assign work to be performed by these resources. The State reserves the right to mandate the replacement of any Contractor personnel.

a. New Legislation, State, or Federal Requirements:

- (1) The Contractor shall, upon request of the State and within forty-eight (48) business hours of receiving the State's request, prepare and submit to the State a proposal or quote to be utilized by the State to prepare fiscal notes as needed for legislation pending before the Tennessee General Assembly. A Tennessee legislative session typically occurs from January through May, but session work may occur at any time throughout the year.

b. Support Services and Maintenance

- (1) All Contractor provided maintenance and support shall be performed in the United States unless mutually agreed upon by the Parties.
- (2) The Contractor shall provide maintenance and support for ALIST functionalities implemented under this Contract in accordance with the direction and priorities given by the State.
- (3) ALIST Uptime: The Contractor shall work with the State to ensure the availability of ALIST 99.99% of the time calculated on a twenty-four (24) hours a day, seven (7) days a week basis, three hundred sixty-five (365) days a year. Contractor understands the importance of maintaining ALIST availability and Contractor resources available under Section A.9 will expend effort thereto as required and as directed by the State.
- (4) During the term of this Contract, the State shall designate the priority level of any problems or issues within ALIST. The State shall work with onsite Contractor support staff to manage and resolve defects. The State, at its discretion, may escalate an issue to the Contractor's upper management personnel.
- (5) Support Services.
 - i. The Contractor shall be proactive in monitoring ALIST and not rely solely on the State to notify the Contractor of systematic problems;
 - ii. The Contractor shall provide diagnostic support working within the State's security guidelines;
 - iii. Delivery of Support Services. The State reserves the right to determine and assign levels of priority for ALIST issues and support problems. The priority of the issue and support problem shall determine the problem resolution response time as follows:

Priority Level	Response
<p>A (High): Situations where ALIST is not performing in accordance with the State's requirements, and public facing production or mission critical business operations are being impacted. There is not a mutually agreed-upon workaround.</p>	<p>The Contractor shall start work immediately upon notification of the problem. The problem shall be resolved within twenty-four (24) hours or as further agreed upon by the State. The State shall have designated staff on site, or available, to verify that problems have been resolved, regardless of the time or day.</p>

<p>B (Medium): Situations where critical ALIST components have significant outages or failure precluding its successful operation, or possibly endangering the State's environment. The system may operate but is severely restricted. Failure causes a loss of function or data, but there is a mutually agreed upon workaround. The State is able to implement the workaround without severe interruption of the ALIST production process.</p>	<p>The Contractor shall acknowledge the problem within seven (7) calendar days from Contractor's notification of the problem. A timeline concerning the resolution shall be provided to the Contractor by the State on a case-by-case basis.</p>
<p>C (Low): A problem does not exist within ALIST; however, the State may require information or assistance on ALIST capabilities, installation, and configuration or is requesting an enhancement. This shall include cosmetic and documentation issues that have little or no impact on ALIST production processes or ALIST productivity.</p>	<p>The Contractor shall acknowledge the problem within fourteen (14) calendar days from Contractor notification of the problem. A timeline concerning the resolution shall be provided to the Contractor by the State on a case-by-case basis.</p>

(6) Contractor Provided Phone and Online Support.

- i. Onsite Contractor designated personnel shall serve as the initial point of contact for all ALIST questions and issues.
- ii. The Contractor shall provide unlimited phone support between 8:00 a.m. to 5:00 p.m. Central Standard Time.

(7) Maintenance Services.

- i. The Contractor shall provide to the State improvements and additions to the functionality of ALIST in accordance with the direction and priorities given by the State. Further, the Contractor shall provide new functions and functionality to ALIST and provide maintenance services on the new functions and functionalities in accordance with the direction and priorities given by the State.
- ii. The Contractor shall perform regression testing on upgrades prior to installing/implementing the upgrades into production. In performing the regression testing on a new version/upgrade of the software, the Contractor shall certify in writing to the State that all the previous ALIST capabilities still work in accordance with the contract requirements.
- iii. Security Reviews. The State, in its sole discretion, may conduct a code review penetration testing or other security reviews in the production environment. The Contractor shall remedy any mutually agreed upon discrepancies found as a result of a penetration testing or security review.

- c Prohibition against Illicit Code. The prohibitions in this section f. are intended to protect State systems and State Data from anything that could: i) cause harm to, or ii) inhibit

State-authorized access to, or iii) enable non-State authorized access to State systems or State Data. These prohibitions are not intended to limit or restrict how the Contractor may perform valid duties under the Contract.

- (1) The Contractor shall not, under any circumstances or conditions, install various disabling devices, access codes, traps, copy protection devices, keys, time or date bugs, lock-up or deactivating devices, time bombs, termination by remote access, removal of source code, or other programs or code in the software or work product that could erase, corrupt, restrict use of, modify any data of the State, freeze, interfere with, or prevent the State's use of the software or its computing environment, destroy or terminate software or work product or data contained in it, or bypass any internal or external software security measure in order to obtain access to the systems or data of the State without the written consent of the State. The Contractor warrants that no other similar types of electronic techniques will be used at any time in the future.
- (2) In addition to the State's rights under Sections A.10 and A.11 of this Contract, the Contractor warrants, unless necessary to perform valid duties under this Contract or verification is conducted and documentation is created as to not cause harm to the State's operating environment and utilization of ALIST, that any ALIST programs developed or provided by the Contract shall:
 - i. Not replicate, transmit, or activate itself without control of a person operating the computer equipment on which it resides;
 - ii. Not alter, damage, or erase any State data or computer programs without control of a person operating the computer equipment on which it resides;
 - iii. Contain no virus or similar code known or unknown to the Contractor; and
 - iv. Contain no enabled restrictive key, node lock, time-out or other function, whether implemented by electronic, mechanical, or other means, which limits or hinders the use or access to any software programs based on frequency or duration of use, or other such limiting criteria.

b. Enhancements, or Upgrades, of Existing Functionalities :

- (1) Technical Data Flow Diagram or Technical Manuals.
 - i. The Contractor shall provide to the State any technical data flow diagram or technical manuals for ALIST.
- (2) iPad - Changes to ALIST to support any State implemented enhancements to any iPad utilized at DCSs throughout the State.
- (3) Rahall Transportation Institute Upgrade -Changes to ALIST to support State enhancements to electronic Commercial Driver license ("eCDL") and mobile Commercial Driver license (mCDL) testing.
- (4) Driver license Call Center - Changes to ALIST to support future call center integration.

c. New Functionalities:

- (1) Credential format changes to ALIST to support any federal or state mandated changes to Credentials.
 - (2) Microform Conversion - Changes to ALIST to support the State's microform conversion initiative.
 - (3) Third Party Automation- Changes to ALIST to support the State's third party automation initiative.
- d. Driver Services Partnerships (Installations or Relocations) – Changes related to installations or relocations of driver services partnerships.
- e. Configuration Assistance .
- (1) The Contractor shall work with the State or State contracted personnel to provide assistance concerning the configuration or reconfiguration of any other computer system that interfaces, or needs to interface, with ALIST.
- f. Implementation of Additional Processes and Interfaces.
- (1) In addition to the tasks described in Section A.8. and the maintenance and support services described in Section A.9., the Contractor shall work with the State to implement new work-flow processes and interfaces, as well as modify existing ones in ALIST.
- g. Implementation of Additional Reports .
- (1) The Contractor shall work with the State to implement functionalities within ALIST, to include but not be limited to, new reports, letters, notices, process workflows, and case types in ALIST.
- h. Database maintenance, analysis, and review .
- (1) The Contractor shall work with the State to maintain database performance and capacity to meet the requirements of this Contract.
- i. Application Development of ALIST
- (1) Upon request by the State, the Contractor shall perform application development.
- j. Best Practice Recommendations .
- (1) The Contractor shall recommend changes to ALIST based on market research, industry best practices, or federal and state policy and recommendations.
- k. Performance Tuning .
- (1) The Contractor shall make all necessary adjustments to maintain ALIST functionality.
- l. Batch Monitoring .
- (1) The Contractor shall monitor all batches concerning ALIST. This shall include, but not be limited to, correspondence, data files, and exchange of data.
- m. Required Federal and Legislative Changes

- (1) The Contractor shall work with the State to make any changes to ALIST as needed to accommodate new legislation, State, or federal laws, rules, and regulations.

n. Training

- (1) The Contractor shall provide additional training as requested by the State. This may include training users, system administrators, and system operators. This also includes providing training, assistance, and knowledge transfer to the State's technical staff so that they will have the knowledge necessary to program, configure, integrate, troubleshoot, test, and provide any other tasks in relation to the continuing maintenance, support and operation of the ALIST system.

o. Technical Manuals

- (1) The Contractor shall maintain comprehensive documentation on software aspects of ALIST in accordance with the direction and priorities given by the State. The Contractor shall provide electronic copies of ALIST documentation to the State as revisions and changes are made. Documentation includes but is not limited to file structure, directory structure, database record layout, workstation architecture, system architecture, registry settings and entries, and services utilized.

A.10. Court Disposition Reporting ("CDR") Upgrade.

The Contractor shall continue work on the ALIST portion of the CDR upgrade, through full implementation and including any interface work that might be needed between ALIST and the Tennessee Integrated Traffic Analysis Network (TITAN) system. Further detail and scope will be mutually agreed upon by the State and Contractor and reduced to writing. Following full implementation, the Contractor shall support and maintain the CDR portion of ALIST in accordance with the terms of this Contract.

A.11. Warranty.

Contractor represents and warrants that the term of the warranty ("Warranty Period") shall be the greater of the Term of this Contract or any other warranty generally offered by Contractor, its suppliers, or manufacturers to customers of its goods or services as described herein. The Services described in Section A.8 and A.10. and provided under this Contract shall conform to the terms and conditions of this Contract throughout the Warranty Period. Any nonconformance of such Services to the terms and conditions of this Contract shall constitute a "Defect" and shall be considered "Defective." If Contractor receives notice of a Defect during the Warranty Period, then Contractor shall correct the Defect, at no additional charge.

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

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

If Contractor fails to provide the Services described in Section A.8 and A.10. as warranted, then Contractor will re-provide such Services at no additional charge. If Contractor is unable or unwilling to re-provide such Services as warranted, then the State shall be entitled to recover the fees paid to Contractor for the Defective Services. Any exercise of the State's rights under this Section shall not prejudice the State's rights to seek any other remedies available under this Contract or applicable law.

A.12. Inspection and Acceptance.

The State shall have the right to inspect all Services described in Section A.8 and A.10. provided by Contractor under this Contract. If, upon inspection, the State determines that such Services are Defective, the State shall notify Contractor, and Contractor shall re-deliver the goods or provide such Services at no additional cost to the State. If after a period of thirty (30) days following performance of such Services the State does not provide a notice of any Defects, then such Services shall be deemed to have been accepted by the State.

A.13 Additional Provisions

- a. The Contractor's staff shall have twenty-four (24) hours, seven (7) days a week, three hundred sixty-five (365) days a year access to the project space;
- b. Certain Contractor staff shall have direct administrative access to the databases and services;
- c. To the extent that State data needs to reside in a non-production environment, such data shall be secured and access to such data shall be logged. However, such data (names, addresses etc.) shall not be scrambled; and
- d. All Contractor personnel are required to attend the Contractor's annual general meeting which typically lasts three (3) days. The Contractor shall inform the State at least sixty (60) calendar days in advance of these dates and shall work with the State to minimize any impact.

B. TERM OF CONTRACT:

This Contract shall be effective on March 1, 2019 ("Effective Date") and extend for a period of Thirty-six (36) months after the Effective Date ("Term"). The State shall have no obligation for goods or services provided by the Contractor prior to the Effective Date.

C. PAYMENT TERMS AND CONDITIONS:

- C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed Eleven Million Nine Hundred Ninety Thousand Dollars and No Cents (\$11,990,000.00) ("Maximum Liability"). This Contract does not grant the Contractor any exclusive rights. The State does not guarantee that it will buy any minimum quantity of goods or services under this Contract. Subject to the terms and conditions of this Contract, the Contractor will only be paid for goods or services provided under this Contract after a purchase order is issued to Contractor by the State or as otherwise specified by this Contract.
- C.2. Firm Price Period. Except as provided is C.2.a. - c. of this Contract, the Contractor's compensation shall remain firm for the Term of this Contract (the "Firm Price Period"). The payment methodology in Section C.3. of this Contract shall constitute the entire compensation due the Contractor for all Services provided under this Contract regardless of the difficulty, materials, or equipment required. The payment methodology includes all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Contractor, subject to Section C.2.a. – c. of this Contract.
 - a. Price Decreases. After the Firm Price Period, prices shall be equitably adjusted to reflect a decrease in Contractor's costs.
 - b. Price Increases. At any time after the Effective Date, Contractor may request price increases (e.g., for those increases in Contractor's costs due to indirect third party costs, state of Tennessee taxes, or state of Tennessee assessments to which the Contractor was not subject as of the Effective Date of this Contract). The request shall include, as applicable, copies of the indirect third party costs, state of Tennessee taxes, state of Tennessee assessments, or new price lists or catalog that reflect a change in

the Contractor's cost; not constitute an increase in profit; and be the type of cost that applies broadly to all of the Contractor's Tennessee customers.

- c. **Approval of Price Changes.** The State may at its sole option: (1) grant the Contractor's request; (2) cancel the Contract and award it to the next apparent best evaluated Respondent; (3) cancel the Contract and reissue the solicitation; or (4) deny the Contractor's request. If approved, any price changes of less than seven percent (7%) will become effective upon the State's approval in writing. Price changes exceeding seven percent (7%) shall require a Contract amendment. The Contractor shall honor all purchase orders dated prior to the approved price change. Upon request from the State, the Contractor shall furnish the approved catalog, price schedule or price list as applicable to the State at no charge.

C.3. **Payment Methodology.** The Contractor shall be compensated based on the payment methodology for goods or services authorized by the State in a total amount as set forth in Section C.1.

- a. The Contractor's compensation shall be contingent upon the satisfactory provision of goods or services as set forth in Section A.
- b. The Contractor shall be compensated based upon the following payment methodology:

Goods or Services Description	Amount* (per compensable increment)
Completion of Level 3 and Services provided as described above	Four (4) equal payments of \$291,666.66 and Eight (8) equal payments of \$291,666.67 per year during the Term. Payments will be made monthly in arrears.
Completion of Court Disposition Reporting Upgrade (see Section A.8)	One (1) payment of \$ 125,000.00

- c. The Contractor shall be compensated for changes requested and performed pursuant to Contract Section A.10, without a formal amendment of this Contract based upon the payment rates detailed in the schedule below and as agreed pursuant to Contract Section A.10., PROVIDED THAT compensation to the Contractor for such "change order" work shall not exceed THIRTEEN PERCENT (13%) of the sum of milestone payment rates detailed in Section C.3.b., above (which is the total cost for the milestones and associated deliverables set forth in Contract Sections A.5. through A.16.). If, at any point during the Term, the State determines that the cost of necessary "change order" work would exceed the maximum amount, the State may amend this Contract to address the need.

Service Description	Amount (per compensable increment)
Change Orders (See Section A.10.)	\$ amount determined per project
NOTE: The Contractor shall not be compensated for travel time to the primary location of service provision.	

C.4. **Travel Compensation.** The Contractor shall not be compensated or reimbursed for travel time, travel expenses, meals, or lodging, unless such travel was requested by the State.

C.5. Invoice Requirements. The Contractor shall invoice the State only for goods delivered and accepted by the State or services satisfactorily provided at the amounts stipulated in Section C.3., above. Contractor shall submit invoices and necessary supporting documentation, no more frequently than once a month and no later than thirty (30) days after goods or services have been provided to the following address:

Tennessee Department of Safety and Homeland Security
 ATTN: Driver Services Division
 1150 Foster Avenue
 Nashville, TN 37243

- a. Each invoice, on Contractor's letterhead, shall clearly and accurately detail all of the following information (calculations must be extended and totaled correctly):
 - (1) Invoice number (assigned by the Contractor);
 - (2) Invoice date;
 - (3) Contract number (assigned by the State);
 - (4) Customer account name: Department of Safety and Homeland Security / Driver Services Division;
 - (5) Customer account number (assigned by the Contractor to the above-referenced Customer);
 - (6) Contractor name;
 - (7) Contractor Tennessee Edison registration ID number;
 - (8) Contractor contact for invoice questions (name, phone, or email);
 - (9) Contractor remittance address;
 - (10) Description of delivered goods or services provided and invoiced, including identifying information as applicable; and
 - (11) Total amount due for delivered goods or services provided (as stipulated in Section C.3. above).

 - b. The Contractor understands and agrees that an invoice under this Contract shall:
 - (1) only include charges for goods delivered or services provided as described in Section A. and in accordance with payment terms and conditions set forth in Contract Section C.;
 - (2) only be submitted for goods delivered or services completed and shall not include any charge for future goods to be delivered or services to be performed;
 - (3) not include Contractor's taxes; and
 - (4) begin 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. The timeframe for payment (or any discounts) begins only when the State is in receipt of an invoice that meets the minimum requirements of this Section C.5.
- C.6. Payment of Invoice. A payment by the State shall not prejudice the State's right to object to or question any payment, invoice, or other matter. A payment by the State shall not be construed as acceptance of goods delivered, any part of the services provided, or as approval of any amount invoiced.
- C.7. Invoice Reductions. The Contractor's invoice shall be subject to reduction for amounts included in any invoice or payment that is determined by the State, on the basis of audits conducted in accordance with the terms of this Contract, to not constitute proper compensation for goods delivered or services provided.
- C.8. Deductions. The State reserves the right to deduct from amounts, which are or shall become due and payable to the Contractor under this or any contract between the Contractor and the State of Tennessee, any amounts that are or shall become due and payable to the State of Tennessee by the Contractor.

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

- a. The Contractor shall complete, sign, and present to the State the "Authorization Agreement for Automatic Deposit Form" provided by the State. By doing so, the Contractor acknowledges and agrees that, once this form is received by the State, payments to the Contractor, under this or any other contract the Contractor has with the State of Tennessee, may be made by ACH; and
- b. The Contractor shall complete, sign, and return to the State the State-provided W-9 form. The taxpayer identification number on the W-9 form must be the same as the Contractor's Federal Employer Identification Number or Social Security Number referenced in the Contractor's Edison registration information.

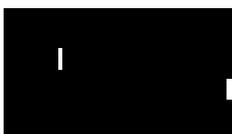
D. MANDATORY TERMS AND CONDITIONS:

- D.1. Required Approvals. The State is not bound by this Contract until it is duly approved by the Parties and all appropriate State officials in accordance with applicable Tennessee laws and regulations. Depending upon the specifics of this Contract, this may include approvals by the Commissioner of Finance and Administration, the Commissioner of Human Resources, the Comptroller of the Treasury, and the Chief Procurement Officer. Approvals shall be evidenced by a signature or electronic approval.
- D.2. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by email or facsimile transmission with recipient confirmation. All communications, regardless of method of transmission, shall be addressed to the respective Party at the appropriate mailing address, facsimile number, or email address as stated below or any other address provided in writing by a Party.

The State:

Lori Bullard, Assistant Commissioner
 Driver Services Division
 Tennessee Department of Safety and Homeland Security
 1150 Foster Avenue
 Nashville, TN 37243
 Email Address: lori.bullard@tn.gov
 Telephone #: (615) 251-5106
 FAX #: (615) 253-2092

The Contractor:

 Partner

Email Address: @.com

Telephone #: 

FAX #: 

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

- D.3. Modification and Amendment. This Contract may be modified only by a written amendment signed by all Parties and approved by all applicable State officials.

- D.4. Subject to Funds Availability. The Contract is subject to the appropriation and availability of State or federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate this Contract upon written notice to the Contractor. The State's exercise of its right to terminate this Contract shall not constitute a breach of Contract by the State. Upon receipt of the written notice, the Contractor shall cease all work associated with the Contract. If the State terminates this Contract due to lack of funds availability, the Contractor shall be entitled to compensation for all conforming goods requested and accepted by the State and for all satisfactory and authorized services completed as of the termination date. Should the State exercise its right to terminate this Contract due to unavailability of funds, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages of any description or amount.
- D.5. Termination for Convenience. The State may terminate this Contract for convenience without cause and for any reason. The State shall give the Contractor at least thirty (30) days written notice before the termination date. The Contractor shall be entitled to compensation for all conforming goods delivered and accepted by the State or for satisfactory, authorized services completed as of the termination date. In no event shall the State be liable to the Contractor for compensation for any goods neither requested nor accepted by the State or for any services neither requested by the State nor satisfactorily performed by the Contractor. In no event shall the State's exercise of its right to terminate this Contract for convenience relieve the Contractor of any liability to the State for any damages or claims arising under this Contract.
- D.6. Termination for Cause. If the Contractor fails to properly perform its obligations under this Contract in a timely or proper manner, or if the Contractor materially violates any terms of this Contract ("Breach Condition"), the State shall have the right to immediately terminate the Contract and withhold payments in excess of compensation for completed services or provided goods. Notwithstanding the above, the Contractor shall not be relieved of liability to the State for damages sustained by virtue of any Breach Condition and the State may seek other remedies allowed at law or in equity for breach of this Contract.
- D.7. Assignment and Subcontracting. The Contractor shall not assign this Contract or enter into a subcontract for any of the goods or services provided under this Contract without the prior written approval of the State. Notwithstanding any use of the approved subcontractors, the Contractor shall be the prime contractor and responsible for compliance with all terms and conditions of this Contract. The State reserves the right to request additional information or impose additional terms and conditions before approving an assignment of this Contract in whole or in part or the use of subcontractors in fulfilling the Contractor's obligations under this Contract.
- D.8. Conflicts of Interest. The Contractor warrants that no part of the Contractor's compensation shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Contractor in connection with any work contemplated or performed under this Contract.

The Contractor acknowledges, understands, and agrees that this Contract shall be null and void if the Contractor is, or within the past six (6) months has been, an employee of the State of Tennessee or if the Contractor is an entity in which a controlling interest is held by an individual who is, or within the past six (6) months has been, an employee of the State of Tennessee.

- D.9. Nondiscrimination. The Contractor hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the Contractor on the grounds of handicap or disability, age, race, creed, color, religion, sex, national origin, or any other classification protected by federal or state law. The Contractor shall, upon request, show proof of nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

- D.10. Prohibition of Illegal Immigrants. The requirements of Tenn. Code Ann. § 12-3-309 addressing the use of illegal immigrants in the performance of any contract to supply goods or services to the state of Tennessee, shall be a material provision of this Contract, a breach of which shall be grounds for monetary and other penalties, up to and including termination of this Contract.
- a. The Contractor agrees that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract. The Contractor shall reaffirm this attestation, in writing, by submitting to the State a completed and signed copy of the document at Attachment One, semi-annually during the Term. If the Contractor is a party to more than one contract with the State, the Contractor may submit one attestation that applies to all contracts with the State. All Contractor attestations shall be maintained by the Contractor and made available to State officials upon request.
 - b. Prior to the use of any subcontractor in the performance of this Contract, and semi-annually thereafter, during the Term, the Contractor shall obtain and retain a current, written attestation that the subcontractor shall not knowingly utilize the services of an illegal immigrant to perform work under this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant to perform work under this Contract. Attestations obtained from subcontractors shall be maintained by the Contractor and made available to State officials upon request.
 - c. The Contractor shall maintain records for all personnel used in the performance of this Contract. Contractor's records shall be subject to review and random inspection at any reasonable time upon reasonable notice by the State.
 - d. The Contractor understands and agrees that failure to comply with this section will be subject to the sanctions of Tenn. Code Ann. § 12-3-309 for acts or omissions occurring after its effective date.
 - e. For purposes of this Contract, "illegal immigrant" shall be defined as any person who is not: (i) a United States citizen; (ii) a Lawful Permanent Resident; (iii) a person whose physical presence in the United States is authorized; (iv) allowed by the federal Department of Homeland Security and who, under federal immigration laws or regulations, is authorized to be employed in the U.S.; or (v) is otherwise authorized to provide services under the Contract.
- D.11. Records. The Contractor shall maintain documentation for all charges under this Contract. The books, records, and documents of the Contractor, for work performed or money received under this Contract, shall be maintained for a period of five (5) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the State, the Comptroller of the Treasury, or their duly appointed representatives. The financial statements shall be prepared in accordance with generally accepted accounting principles.
- D.12. Monitoring. The Contractor's activities conducted and records maintained pursuant to this Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives.
- D.13. Progress Reports. The Contractor shall submit brief, periodic, progress reports to the State as requested.
- D.14. Strict Performance. Failure by any Party to this Contract to require, in any one or more cases, the strict performance of any of the terms, covenants, conditions, or provisions of this Contract shall not be construed as a waiver or relinquishment of any term, covenant, condition, or provision. No term or condition of this Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the Parties.
- D.15. Independent Contractor. The Parties shall not act as employees, partners, joint venturers, or associates of one another. The Parties are independent contracting entities. Nothing in this

Contract shall be construed to create an employer/employee relationship or to allow either Party to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one Party are not employees or agents of the other Party.

- D.16 Patient Protection and Affordable Care Act. The Contractor agrees that it will be responsible for compliance with the Patient Protection and Affordable Care Act ("PPACA") with respect to itself and its employees, including any obligation to report health insurance coverage, provide health insurance coverage, or pay any financial assessment, tax, or penalty for not providing health insurance. The Contractor shall indemnify the State and hold it harmless for any costs to the State arising from Contractor's failure to fulfill its PPACA responsibilities for itself or its employees.
- D.17. Limitation of State's Liability. The State shall have no liability except as specifically provided in this Contract. In no event will the State be liable to the Contractor or any other party for any lost revenues, lost profits, loss of business, decrease in the value of any securities or cash position, time, goodwill, or any indirect, special, incidental, punitive, exemplary or consequential damages of any nature, whether based on warranty, contract, statute, regulation, tort (including but not limited to negligence), or any other legal theory that may arise under this Contract or otherwise. The State's total liability under this Contract (including any exhibits, schedules, amendments or other attachments to the Contract) or otherwise shall under no circumstances exceed the Maximum Liability. This limitation of liability is cumulative and not per incident.
- D.18. Limitation of Contractor's Liability. The Contractor shall have no liability except as specifically provided in this Contract. In no event will the Contractor be liable to the State or any other party for any lost revenues, lost profits, loss of business, decrease in the value of any securities or cash position, time, goodwill, or any indirect, special, incidental, punitive, exemplary or consequential damages of any nature, whether based on warranty, contract, statute, regulation, tort (including but not limited to negligence), or any other legal theory that may arise under this Contract or otherwise.

In accordance with Tenn. Code Ann. § 12-3-701, the Contractor's liability for all claims arising under this Contract shall be limited to an amount equal to two (2) times the Maximum Liability amount detailed in Section C.1. and as may be amended, PROVIDED THAT in no event shall this Section limit the liability of the Contractor for : (i) intellectual property or any Contractor indemnity obligations for infringement for third-party intellectual property rights; (ii) any claims covered by any specific provision in the Contract providing for liquidated damages; or (iii) any claims for intentional torts, criminal acts, fraudulent conduct, or acts or omissions that result in personal injuries or death.

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

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

- D.20. HIPAA Compliance. The Contractor will not have access to HIPAA data under this Contract. In the event the Contractor requires access to perform the Services under this Contract, the parties

will amend this Contract to reflect that Contractor will have access to HIPAA data and will be responsible to protect the data in compliance with HIPAA.

- D.21. Tennessee Consolidated Retirement System. Subject to statutory exceptions contained in Tenn. Code Ann. §§ 8-36-801, *et seq.*, the law governing the Tennessee Consolidated Retirement System (“TCRS”), provides that if a retired member of TCRS, or of any superseded system administered by TCRS, or of any local retirement fund established under Tenn. Code Ann. §§ 8-35-101, *et seq.*, accepts State employment, the member's retirement allowance is suspended during the period of the employment. Accordingly and notwithstanding any provision of this Contract to the contrary, the Contractor agrees that if it is later determined that the true nature of the working relationship between the Contractor and the State under this Contract is that of “employee/employer” and not that of an independent contractor, the Contractor, if a retired member of TCRS, may be required to repay to TCRS the amount of retirement benefits the Contractor received from TCRS during the Term.
- D.22. Tennessee Department of Revenue Registration. The Contractor shall comply with all applicable registration requirements contained in Tenn. Code Ann. §§ 67-6-601 through 67-6-608. Compliance with applicable registration requirements is a material requirement of this Contract.
- D.23. Debarment and Suspension. The Contractor certifies, to the best of its knowledge and belief, that it, its current and future principals, its current and future subcontractors and their principals:
- a. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department or agency;
 - b. have not within a three (3) year period preceding this Contract been convicted of, or had a civil judgment rendered against them from commission of fraud, or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or grant under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;
 - c. are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses detailed in section b. of this certification; and
 - d. have not within a three (3) year period preceding this Contract had one or more public transactions (federal, state, or local) terminated for cause or default.

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

- D.24. Force Majeure. “Force Majeure Event” means fire, flood, earthquake, elements of nature or acts of God, wars, riots, civil disorders, rebellions or revolutions, acts of terrorism or any other similar cause beyond the reasonable control of the Party except to the extent that the non-performing Party is at fault in failing to prevent or causing the default or delay, and provided that the default or delay cannot reasonably be circumvented by the non-performing Party through the use of alternate sources, workaround plans or other means. A strike, lockout or labor dispute shall not excuse either Party from its obligations under this Contract. Except as set forth in this Section, any failure or delay by a Party in the performance of its obligations under this Contract arising from a Force Majeure Event is not a default under this Contract or grounds for termination. The non-performing Party will be excused from performing those obligations directly affected by the Force Majeure Event, and only for as long as the Force Majeure Event continues, provided that the Party continues to use diligent, good faith efforts to resume performance without delay. The occurrence of a Force Majeure Event affecting Contractor’s representatives, suppliers, subcontractors, customers or business apart from this Contract is not a Force Majeure Event

- under this Contract. Contractor will promptly notify the State of any delay caused by a Force Majeure Event (to be confirmed in a written notice to the State within one (1) day of the inception of the delay) that a Force Majeure Event has occurred, and will describe in reasonable detail the nature of the Force Majeure Event. If any Force Majeure Event results in a delay in Contractor's performance longer than forty-eight (48) hours, the State may, upon notice to Contractor: (a) cease payment of the fees until Contractor resumes performance of the affected obligations; or (b) immediately terminate this Contract or any purchase order, in whole or in part, without further payment except for fees then due and payable. Contractor will not increase its charges under this Contract or charge the State any fees other than those provided for in this Contract as the result of a Force Majeure Event.
- D.25. State and Federal Compliance. The Contractor shall comply with all applicable state and federal laws and regulations in the performance of this Contract. The Contractor shall not be liable for noncompliance with State or federal law to the extent the noncompliance is the result of direction given to the Contractor by the State.
- D.26. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Tennessee Claims Commission or the state or federal courts in Tennessee shall be the venue for all claims, disputes, or disagreements arising under this Contract. The Contractor acknowledges and agrees that any rights, claims, or remedies against the State of Tennessee or its employees arising under this Contract shall be subject to and limited to those rights and remedies available under Tenn. Code Ann. §§ 9-8-101 through 9-8-407.
- D.27. Entire Agreement. This Contract is complete and contains the entire understanding between the Parties relating to its subject matter, including all the terms and conditions of the Parties' agreement; This Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the Parties, whether written or oral.
- D.28. Severability. If any terms and conditions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions of this Contract shall not be affected and shall remain in full force and effect. The terms and conditions of this Contract are severable.
- D.29. Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.
- D.30. Incorporation of Additional Documents. Each of the following documents is included as a part of this Contract by reference. In the event of a discrepancy or ambiguity regarding the Contractor's duties, responsibilities, and performance under this Contract, these items shall govern in order of precedence below:
- a. any amendment to this Contract, with the latter in time controlling over any earlier amendments;
 - b. this Contract with any attachments or exhibits, which includes Attachments One and Two; and
 - c. The Contractor Owned Software License Agreement.
- D.31. Iran Divestment Act. The requirements of Tenn. Code Ann. § 12-12-101 *et seq.*, addressing contracting with persons as defined at T.C.A. §12-12-103(5) that engage in investment activities in Iran, shall be a material provision of this Contract. The Contractor certifies, under penalty of perjury, that to the best of its knowledge and belief that it is not on the list created pursuant to Tenn. Code Ann. § 12-12-106.
- D.32. Insurance. Contractor shall maintain insurance coverage as specified in this Section. The State reserves the right to amend or require additional insurance coverage, coverage amounts, and endorsements required under this Contract. Contractor's failure to maintain or submit evidence of insurance coverage, as required, is a material breach of this Contract. If Contractor loses insurance coverage, fails to renew coverage, or for any reason becomes uninsured during the Term, Contractor shall immediately notify the State. All insurance companies providing coverage

must be: (a) acceptable to the State; (b) authorized by the Tennessee Department of Commerce and Insurance ("TDCI"); and (c) rated A- / VII or better by A.M. Best. All coverage must be on a primary basis and noncontributory with any other insurance or self-insurance carried by the State. Contractor agrees to name the State, acting by and through its Department of Safety and Homeland Security, as an additional insured on any insurance policy with the exception of workers' compensation (employer liability) and professional liability (errors and omissions) insurance. All policies must contain an endorsement for a waiver of subrogation in favor of the State acting by and through its Department of Safety and Homeland Security. Any deductible or self insured retention ("SIR") over fifty thousand dollars (\$50,000) must be approved by the State. The deductible or SIR and any premiums are the Contractor's sole responsibility. The Contractor agrees that the insurance requirements specified in this Section do not reduce any liability the Contractor has assumed under this Contract including any indemnification or hold harmless requirements.

To achieve the required coverage amounts, a combination of an otherwise deficient specific policy and an umbrella policy with an aggregate meeting or exceeding the required coverage amounts is acceptable. For example: If the required policy limit under this Contract is for two million dollars (\$2,000,000) in coverage, acceptable coverage would include a specific policy covering one million dollars (\$1,000,000) combined with an umbrella policy for an additional one million dollars (\$1,000,000). If the deficient underlying policy is for a coverage area without aggregate limits (generally Automobile Liability and Employers' Liability Accident), Contractor shall provide a copy of the umbrella insurance policy documents to ensure that no aggregate limit applies to the umbrella policy for that coverage area. In the event that an umbrella policy is being provided to achieve any required coverage amounts, the umbrella policy shall be accompanied by an endorsement at least as broad as the Insurance Services Office, Inc. (also known as "ISO") "Noncontributory—Other Insurance Condition" endorsement or shall be written on a policy form that addresses both the primary and noncontributory basis of the umbrella policy if the State is otherwise named as an additional insured.

Contractor shall provide the State a certificate of insurance ("COI") evidencing the coverages and amounts specified in this Section. The COI must be on a form approved by the TDCI (standard ACORD form preferred). The COI must list each insurer's National Association of Insurance Commissioners (NAIC) number and be signed by an authorized representative of the insurer. The COI must list the State of Tennessee – CPO Risk Manager, 312 Rosa L. Parks Ave., 3rd floor Central Procurement Office, Nashville, TN 37243 as the certificate holder. Contractor shall provide the COI ten (10) business days prior to the Effective Date and again thirty (30) calendar days before renewal or replacement of coverage. Contractor shall provide the State evidence that all subcontractors maintain the required insurance or that subcontractors are included under the Contractor's policy. At any time, the State may require Contractor to provide a valid COI. The parties agree that failure to provide evidence of insurance coverage as required is a material breach of this Contract. If Contractor self-insures, then a COI will not be required to prove coverage. Instead Contractor shall provide a certificate of self-insurance or a letter, on Contractor's letterhead, detailing its coverage, policy amounts, and proof of funds to reasonably cover such expenses.

The State agrees that it shall give written notice to the Contractor as soon as practicable after the State becomes aware of any claim asserted or made against the State, but in no event later than thirty (30) calendar days after the State becomes aware of such claim. The failure of the State to give notice shall only relieve the Contractor of its obligations under this Section to the extent that the Contractor can demonstrate actual prejudice arising from the failure to give notice. This Section shall not grant the Contractor or its insurer, through its attorneys, the right to represent the State in any legal matter, as the right to represent the State is governed by Tenn. Code Ann. § 8-6-106.

The insurance obligations under this Contract shall be: (1)—all the insurance coverage and policy limits carried by the Contractor; or (2)—the minimum insurance coverage requirements and policy limits shown in this Contract; whichever is greater. Any insurance proceeds in excess of or broader than the minimum required coverage and minimum required policy limits, which are applicable to a given loss, shall be available to

the State. No representation is made that the minimum insurance requirements of the Contract are sufficient to cover the obligations of the Contractor arising under this Contract. The Contractor shall obtain and maintain, at a minimum, the following insurance coverages and policy limits.

- a. Commercial General Liability (“CGL”) Insurance
 - (1) The Contractor shall maintain CGL, which shall be written on an ISO Form CG 00 01 occurrence form (or a substitute form providing equivalent coverage) and shall cover liability arising from property damage, premises and operations products and completed operations, bodily injury, personal and advertising injury, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract).
 - (2) The Contractor shall maintain single limits not less than one million dollars (\$1,000,000) per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this policy or location of occurrence or the general aggregate limit shall be twice the required occurrence limit.

- b. Workers’ Compensation and Employer Liability Insurance
 - (1) For Contractors statutorily required to carry workers’ compensation and employer liability insurance, the Contractor shall maintain:
 - i. Workers’ compensation in an amount not less than one million dollars (\$1,000,000) including employer liability of one million dollars (\$1,000,000) per accident for bodily injury by accident, one million dollars (\$1,000,000) policy limit by disease, and one million dollars (\$1,000,000) per employee for bodily injury by disease.
 - (2) If the Contractor certifies that it is exempt from the requirements of Tenn. Code Ann. §§ 50-6-101 through 50-6-103, then the Contractor shall furnish written proof of such exemption for one or more of the following reasons:
 - i. The Contractor employs fewer than five (5) employees;
 - ii. The Contractor is a sole proprietor;
 - iii. The Contractor is in the construction business or trades with no employees;
 - iv. The Contractor is in the coal mining industry with no employees;
 - v. The Contractor is a state or local government; or
 - vi. The Contractor self-insures its workers’ compensation and is in compliance with the TDCI rules and Tenn. Code Ann. § 50-6-405.

- c. Automobile Liability Insurance
 - (1) The Contractor shall maintain automobile liability insurance which shall cover liability arising out of any automobile (including owned, leased, hired, and non-owned automobiles).
 - (2) The Contractor shall maintain bodily injury/property damage with a limit not less than one million dollars (\$1,000,000) per occurrence or combined single limit.

- d. Technology Professional Liability (Errors & Omissions) and Cyber Liability Insurance

- (1) The Contractor shall maintain technology professional liability (errors & omissions) and cyber liability insurance appropriate to the Contractor's profession in an amount not less than ten million dollars (\$10,000,000) per occurrence or claim and ten million dollars (\$10,000,000) annual aggregate, covering all acts, errors, omissions, negligence, infringement of intellectual property (except patent and trade secret); network security and privacy risks, including but not limited to unauthorized access, failure of security, information theft, damage to destruction of or alteration of electronic information, breach of privacy perils, wrongful disclosure and release of private information, collection, or other negligence in the handling of confidential information, and including coverage for related regulatory fines, defenses, and penalties.
- (2) Such coverage shall include data breach response expenses, in an amount not less than ten million dollars (\$10,000,000) and payable whether incurred by the State or Contractor, including but not limited to consumer notification, whether or not required by law, computer forensic investigations, public relations and crisis management firm fees, credit file or identity monitoring or remediation services and expenses in the performance of services for the State or on behalf of the State hereunder.

e. Crime Insurance

- (1) The Contractor shall maintain crime insurance, which shall be written on a "loss sustained form" or "loss discovered form" providing coverage for third party fidelity, including cyber theft and extortion if not provided as part of the Cyber Liability Insurance required by subsection d., above. The policy must not contain a condition requiring an arrest or conviction.
- (2) Any crime insurance policy shall have a limit not less than one million dollars (\$1,000,000) per claim and one million dollars (\$1,000,000) in the aggregate. Any crime insurance policy shall contain a Social Engineering Fraud Endorsement with a limit of not less than one hundred thousand dollars (\$100,000).
- (3) This insurance may be written on a claims-made basis, but in the event that coverage is cancelled or non-renewed, the Contractor shall purchase an extended reporting or "tail coverage" of at least two (2) years after the Term.

f. Umbrella Liability

- (1) The Contractor shall maintain an umbrella liability policy with limits no less than five million dollars (\$5,000,000) per occurrence or claim, and five million dollars (\$5,000,000) policy aggregate.

D.33. Major Procurement Contract Sales and Use Tax. Pursuant to Tenn. Code Ann. § 4-39-102 and to the extent applicable, the Contractor and the Contractor's subcontractors shall remit sales and use taxes on the sales of goods or services that are made by the Contractor or the Contractor's subcontractors and that are subject to tax.

E. SPECIAL TERMS AND CONDITIONS:

E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Contract, the special terms and conditions shall be subordinate to the Contract's other terms and conditions.

E.2. Confidentiality of Records. Strict standards of confidentiality of records and information shall be maintained in accordance with applicable state and federal law. All material and information, regardless of form, medium or method of communication, provided to the Contractor by the State

or acquired by the Contractor on behalf of the State that is regarded as confidential under state or federal law shall be regarded as "Confidential Information." Nothing in this Section shall permit Contractor to disclose any Confidential Information, regardless of whether it has been disclosed or made available to the Contractor due to intentional or negligent actions or inactions of agents of the State or third parties. Confidential Information shall not be disclosed except as required or permitted under state or federal law. Contractor shall take all necessary steps to safeguard the confidentiality of such material or information in conformance with applicable state and federal law. The obligations set forth in this Section shall survive the termination of this Contract. In the event that the State receives a request for access to inspect or copy any documents that the Contractor deems confidential, the State agrees to give prompt notice of the request to Contractor, whereupon the Contractor shall have the right to seek any remedy to which it is entitled, in law or in equity, to challenge the disclosure of these documents.

Subject to Tennessee Open Records Act, the State agrees to hold all Contractor confidential information provided under this Contract in confidence; to use such information only for the purposes for which it is disclosed, and to not disclose such information to third parties who are under contract with the State without Contractor's prior written consent. The State agrees to take reasonable security precautions in order to protect the confidentiality of Contractor's confidential information. Further, the State will require that all third parties under contract with the State (non-State employees) who require access to Contractor confidential information sign the State's Acceptable Use Policy or alternatively, a non-disclosure agreement provided by Contractor.

- E.3. Printing Authorization. The Contractor agrees that no publication coming within the jurisdiction of Tenn. Code Ann. §§ 12-7-101 *et seq.* shall be printed pursuant to this Contract unless a printing authorization number has been obtained and affixed as required by Tenn. Code Ann. § 12-7-103 (d).
- E.4. Intellectual Property Indemnity. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims or suits which may be brought against the State concerning or arising out of any claim of an alleged patent, copyright, trade secret, or other intellectual property infringement by any products or services provided by the Contractor hereunder. In any such claim or action brought against the State, the Contractor shall satisfy and indemnify the State for the amount of any settlement or final judgment, and the Contractor shall be responsible for all legal or other fees or expenses incurred by the State arising from any such claim. The State shall give the Contractor notice of any such claim or suit, however, the failure of the State to give such notice shall only relieve Contractor of its obligations under this Section to the extent Contractor can demonstrate actual prejudice arising from the State's failure to give notice. This Section shall not grant the Contractor, through its attorneys, the right to represent the State of Tennessee in any legal matter, as provided in Tenn. Code Ann. § 8-6-106. Contractor, however, shall not be liable under this Section for any claim for infringement based on the following:
- a. Modification or use of the Work Product or the Contractor-Owned Software by the State in a manner other than as contemplated in this Contract, Contractor's specifications, or as authorized in writing by Contractor; or
 - b. Modification or use of the Work Product or the Contractor-Owned Software in combination, operation, or with other products in a manner that does not comply with their specifications, not specified by Contractor, or which Contractor has not approved in writing.
- E.5. Software License Warranty. Contractor grants a license to the State to use all software provided under this Contract in the course of the State's business and purposes
- E.6. Software Support and Maintenance Warranty. Contractor shall provide to the State all software upgrades, modifications, bug fixes, or other improvements in its software that it makes generally available to its customers.
- E.7. Transfer of Ownership of Custom Software Developed for the State.

a. Definitions.

- (1) "Contractor-Owned Software," shall mean commercially available software the rights to which are owned by Contractor, including but not limited to commercial "off-the-shelf" software which is not developed using State's money or resources.
- (2) "Custom-Developed Application Software," shall mean customized application software developed by Contractor solely for the State under this Contract intended to function with the Contractor-Owned Software or any Work Product provided under this Contract.
- (3) "Rights Transfer Application Software," shall mean any pre-existing application software and documentation owned or supplied by Contractor or a third party necessary for the use, functioning, support, or maintenance of the Contractor-Owned Software, the Custom-Developed Application Software, Third Party Software, and any Work Product provided to State.
- (4) "Third-Party Software," shall mean software supplied by Contractor under this Contract or necessary for the functioning of any Work Product not owned by the State or the Contractor.
- (5) "Work Product," shall mean all deliverables such as software, software source code, documentation, planning, etc., that are created, designed, developed, or documented by the Contractor for the sole use of the State under this Contract.

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 under this Contract. Contractor grants the State a perpetual non-exclusive license to the Contractor-Owned Software to be used solely with the Custom-Developed Application Software and the Work Product
- (2) Contractor shall provide the source code in the Custom-Developed Application Software, Work Product, with all subsequent modifications, enhancements, bug-fixes or any other changes in the source code of the Work Product and all other code and documentation necessary for the Custom-Developed Application Software to be installed and function as intended and as set forth in this Contract, to the State.
- (3) Contractor may lease or sell the Custom-Developed Application Software to third parties with the written permission of the State, which permission may be conditioned on the State receiving royalties from such sales or licenses.
- (4) All right, title and interest in and to the Custom-Developed Application Software, 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 Custom-Developed Application Software, 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 Custom-Developed Application Software, including without limitation the copyrights, patents, trade secrets, and other intellectual property rights arising out of or embodied by the Custom-Developed Application Software. Contractor and its employees, agents, contractors or representatives shall execute any other documents that State or its counsel deem necessary or desirable to document this transfer or allow State to register its claims and rights to such intellectual property rights or enforce them against third parties.

- (5) 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 or other rights granted to the State under this Contract or otherwise.
 - (6) The Contractor shall provide the State the original source code of the Custom-Developed Application Software and updated source code for the Custom-Developed Application Software when any application changes are made to any part of ALIST. The source code for Custom-Developed Application Software shall be provided to the State within five (5) business days of implementation into the ALIST production environment.
- c. The Contractor may use for its own purposes the general knowledge, skills, experience, ideas, concepts, know-how, and techniques obtained and used during the course of performing under this Contract. The Contractor may develop for itself, or for others, materials which are similar to or competitive with those that are produced under this Contract.
- E.8. State Furnished Property. The Contractor shall be responsible for the correct use, maintenance, and protection of all articles of nonexpendable, tangible personal property furnished by the State for the Contractor's use under this Contract. Upon termination of this Contract, all property furnished by the State shall be returned to the State in the same condition as when received, less reasonable wear and tear. Should the property be destroyed, lost, or stolen, the Contractor shall be responsible to the State for the fair market value of the property at the time of loss.
- E.9. Prohibited Advertising or Marketing. The Contractor shall not suggest or imply in advertising or marketing materials that Contractor's goods or services are endorsed by the State. The restrictions on Contractor advertising or marketing materials under this Section shall survive the termination of this Contract.
- E.10. Partial Takeover of Contract. The State may, at its convenience and without cause, exercise a partial takeover of any service that the Contractor is obligated to perform under this Contract, including any service which is the subject of a subcontract between Contractor and a third party (a "Partial Takeover"). A Partial Takeover of this Contract by the State shall not be deemed a breach of contract. The Contractor shall be given at least thirty (30) days prior written notice of a Partial Takeover. The notice shall specify the areas of service the State will assume and the date the State will be assuming. The State's exercise of a Partial Takeover shall not alter the Contractor's other duties and responsibilities under this Contract. The State reserves the right to withhold from the Contractor any amounts the Contractor would have been paid but for the State's exercise of a Partial Takeover. The amounts shall be withheld effective as of the date the State exercises its right to a Partial Takeover. The State's exercise of its right to a Partial Takeover of this Contract shall not entitle the Contractor to any actual, general, special, incidental, consequential, or any other damages irrespective of any description or amount.
- E.11. Unencumbered Personnel. The Contractor shall not restrict its employees, agents, subcontractors or principals who perform services for the State under this Contract from performing the same or similar services for the State after the termination of this Contract, either as a State employee, an independent contractor, or an employee, agent, subcontractor or principal of another contractor with the State. Contractor may not hire any individual who was employed by the State in the previous twelve months.
- E.12. Personally Identifiable Information. While performing its obligations under this Contract, Contractor may have access to Personally Identifiable Information held by the State ("PII"). For the avoidance of doubt, PII does not include Contractor provided information. For the purposes of this Contract, "PII" includes "Nonpublic Personal Information" as that term is defined in Title V of the Gramm-Leach-Bliley Act of 1999 or any successor federal statute, and the rules and regulations thereunder, all as may be amended or supplemented from time to time ("GLBA") and personally identifiable information and other data protected under any other applicable laws, rule

or regulation of any jurisdiction relating to disclosure or use of personal information (“Privacy Laws”). Contractor agrees it shall not do or omit to do anything which would cause the State to be in breach of any Privacy Laws. Contractor shall, and shall cause its employees, agents and representatives to: (i) keep PII confidential and may use and disclose PII only as necessary to carry out those specific aspects of the purpose for which the PII was disclosed to Contractor and in accordance with this Contract, GLBA and Privacy Laws; and (ii) implement and maintain appropriate technical and organizational measures regarding information security to: (A) ensure the security and confidentiality of PII; (B) protect against any threats or hazards to the security or integrity of PII; and (C) prevent unauthorized access to or use of PII. Contractor shall immediately notify State: (1) of any disclosure or use of any PII by Contractor or any of its employees, agents and representatives in breach of this Contract; and (2) of any disclosure of any PII to Contractor or its employees, agents and representatives where the purpose of such disclosure is not known to Contractor or its employees, agents and representatives. The State reserves the right to review Contractor’s policies and procedures used to maintain the security and confidentiality of PII and Contractor shall, and cause its employees, agents and representatives to, comply with all reasonable requests or directions from the State to enable the State to verify or ensure that Contractor is in full compliance with its obligations under this Contract in relation to PII. Upon termination or expiration of the Contract or at the State’s direction at any time in its sole discretion, whichever is earlier, Contractor shall immediately return to the State any and all PII which it has received under this Contract and shall destroy all records of such PII.

The Contractor shall report to the State any instances of unauthorized access to or potential disclosure of PII in the custody or control of Contractor (“Unauthorized Disclosure”) that come to the Contractor’s attention. Any such report shall be made by the Contractor within twenty-four (24) hours after the Unauthorized Disclosure has come to the attention of the Contractor. Contractor shall take all necessary measures to halt any further Unauthorized Disclosures by its personnel. If the State becomes legally required to provide notification or credit monitoring to individuals affected by an Unauthorized Disclosure, the Contractor shall reimburse the State for the cost of such legally required notification or credit monitoring services to the extent such Unauthorized Disclosure was caused by the Contractor. The remedies set forth in this Section are not exclusive and are in addition to any claims or remedies available to this State under this Contract or otherwise available at law.

E.13. Data Ownership and Contractor Software Compatibility.

- a. Data Ownership. Data provided by the State to the Contractor shall remain the sole property of the State (“State Data”). The Contractor will not review, share, distribute, print, or reference any State Data except as expressly defined by the terms of a Contract between the Contractor and the State. The Contractor may at times view or access individual records and State configuration details for the purpose of preventive maintenance or diagnosis and resolution of system problems or user support issues.
- b. Contractor Software Compatibility
 - (1) The Contractor must comply with the State’s Enterprise Information Security Policies. This document is found at the following URL: <https://www.tn.gov/content/dam/tn/finance/documents/Enterprise-Information-Security-Policies-ISO-27002-Public.pdf>, except that, should such compliance require changes to ALIST, then such changes shall be subject to a Change Order
 - (2) The Contractor agrees to maintain the Application so that it will run on a current, manufacturer-supported Operating System. “Application” shall mean the computer code that supports and accomplishes the State’s requirements as set forth in this Contract. The Contractor shall make sure that the Application is at all times fully compatible with a manufacturer-supported Operating System; the State shall not be required to run an Operating System that is no longer supported by the manufacturer; and

(3) To the extent that the Application requires middleware or database software, then the Contractor agrees to maintain the Application so that it will run on current, manufacturer-supported versions of such middleware and database software. The Contractor shall make sure that the Application is at all times fully compatible with current manufacturer-supported versions of such middleware and database software. The State shall not be required to run middleware and database software versions that are no longer supported by the manufacturer.

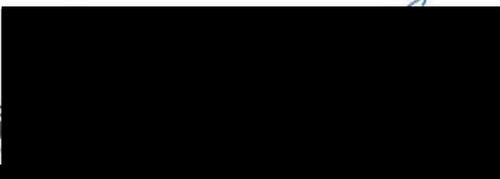
c. Business Continuity Requirements. The Contractor shall provide consulting to the State, under Section A.9, to allow the State to incorporate ALIST specific particulars into the State's Business Continuity Requirements. This includes providing consulting advice to the State so that the State can design and implement Business Continuity Requirements that meet the State's Recovery Point Objective (RPO) and Recovery Time Objective (RTO) targets. The Contractor shall also provide, under Section A.9, support for any Disaster Recovery Tests that the State may undertake. A "Disaster Recovery Test" shall mean the process of verifying the success of the restoration procedures that are executed after a critical IT failure or disruption occurs; and the process of determining whether the State can meet its RPO and RTO targets.

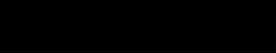
d. Criminal Justice Information Services ("CJIS") Data: The Contractor shall adhere to all CJIS data rules and regulations when dealing with the State data.

E.14. Survival. The terms, provisions, representations, and warranties contained in this Contract which by their sense and context are intended to survive the performance and termination of this Contract, shall so survive the completion of performance and termination of this Contract.

IN WITNESS WHEREOF,

FAST ENTERPRISES, LLC:

 _____
DATE 2/25/19

 Authorized Signatory

PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)

DEPARTMENT OF SAFETY AND HOMELAND SECURITY:

 _____
JEFF LONG, COMMISSIONER DATE 02-26-19

ATTACHMENT ONE

ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE

SUBJECT CONTRACT NUMBER:	58113
CONTRACTOR LEGAL ENTITY NAME:	[REDACTED]
EDISON VENDOR IDENTIFICATION NUMBER:	0000162641

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.

[REDACTED]

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

[REDACTED] Authorized Signatory

PRINTED NAME AND TITLE OF SIGNATORY

2/25/19

DATE OF ATTESTATION

██████████ Software Licensing Agreement

This Software Licensing Agreement ("Agreement") is made by and between ██████████ L.L.C., a limited liability company organized under the laws of New York (██████████ or "Licensor") and the State of Tennessee, Department of Safety and Homeland Security ("Licensee"). ██████████ has its principle place of business at ██████████. Licensee has its principle place of business at 1150 Foster Avenue, Nashville, TN, 37243.

1. DEFINITIONS. As used in this Agreement, the following terms shall have the meanings ascribed to them:

- 1.1. "Software" means the ██████████¹ Integrated Software that is the subject of this Agreement. Software includes tools and utilities provided by ██████████'s part of the ██████████ package, as well as any fixes, enhancements, additions, and other modifications to the software that may be provided.
- 1.2. "Documentation" means technical data, including computer listings and printouts, in human-readable form that:
 - 1.2.1. Documents the design or details of the Software;
 - 1.2.2. Explains the capabilities of the Software; or
 - 1.2.3. Provides operating instructions for using the Software to obtain desired results from a computer.
- 1.3. "Use" means storing, loading, installing, executing or displaying the Software on a computer, processor, or controller, or making a copy of the Software for archival or backup purposes only.

2. SOFTWARE LICENSE.

- 2.1. ██████████ grants the Licensee, in consideration for the license fee paid, a non-transferable, perpetual and non-exclusive right to use the Software, in object code form, and the Documentation furnished under this Agreement (the "License").
- 2.2. This grant shall allow the Licensee to use the Software in accordance with the Licensee's Request for Proposal #34901-00156 (the "RFP"), and with the Licensor's proposal in response to that RFP, and with any change orders, amendments and clarifications thereto. The extension of this License to additional functionality could be subject to additional License fees. Approved change orders within the scope of services to be provided under Contract No. 35930 shall not be subject to an additional license fee.
- 2.3. The Licensee may install the Software on any workstation or server within the Licensee's business operation.
- 2.4. All Software and Documentation furnished to the Licensee under this Agreement shall be used by the Licensee only for the purposes authorized under this Agreement.
- 2.5. The Licensee agrees to use its best efforts to see that its employees and users of the Software and Documentation comply with the terms and conditions set out in this Agreement.

██████████ is an unregistered trademark of ██████████ LLC.

- 2.6. The Licensee shall not take any steps, such as reverse assembly or reverse compilation, to derive a source code equivalent of the Software.
 - 2.7. The License extends to new versions of the Software, provided the Licensee has purchased and is current on its optional subscription to annual maintenance and/or support services and the Licensee's subscription to annual maintenance and/or support services includes access to new versions of the Software.
 - 2.8. [REDACTED] may, at no additional charge, modify the Software to improve operation and reliability or to meet legal requirements.
 - 2.9. Relocation of Software is the Licensor's responsibility at any time prior to completion of the Warranty Period as defined in Contract No. 35930. After completion of such Warranty Period any relocation of Software is the Licensee's responsibility and may result in additional support charges and modified service response times under any Support or Maintenance Agreement that [REDACTED] has entered into or will enter into with the Licensee.
 - 2.10. The Licensee is responsible for the security of its proprietary and confidential information and for maintaining a procedure external to the Software to reconstruct lost or altered files, data or programs.
 - 2.11. The Licensee must notify [REDACTED] if the Software is being used in an environment that poses a potential health hazard to [REDACTED]'s employees or subcontractors. Licensee will notify [REDACTED] immediately upon becoming aware of a health hazard.
 - 2.12. The License granted hereunder is not assignable or transferable.
 - 2.13. This Agreement does not grant a license to the Licensee to resell or otherwise redistribute the Software and Documentation.
 - 2.14. Except as provided in this Agreement or the scope of services of Contract No. 35930, use of the Software, Documentation, or License thereto shall be permitted only with [REDACTED] prior written consent, which consent shall not be unreasonably withheld. Any such use shall be subject to an additional fee to be negotiated.
3. REPRODUCTION OF SOFTWARE/DOCUMENTATION.
- 3.1 The Licensee may not copy or reprint the Software in whole or in substantial part except to make archive copies of the Software. Any archive copy of the Software must contain the same copyright notice and proprietary markings that are on the original Software.
 - 3.2 The Licensee may not reproduce or copy the Documentation provided by [REDACTED] under this Agreement, in whole or in part, except as necessary for use as authorized under this Agreement. Any copy of the Documentation must contain the same copyright notice and proprietary markings that are on the original Documentation.
4. INTELLECTUAL PROPERTY/OWNERSHIP OF SOFTWARE. The Licensee acknowledges that the Software and Documentation, and all improvements and modifications made to them by any party, are and remain the sole property of [REDACTED]. This Agreement neither expresses nor implies that any interest in the Software and Documentation is assigned or transferred to the Licensee.
5. SOURCE CODE. Subject to Section 5.2 below, the Licensee agrees that the Software supplied under this Agreement shall be delivered to the Licensee in object code form only.

- 5.1 [REDACTED] will maintain the Software source code with an escrow agent and list the Licensee as an authorized recipient of the source code in the event one or more of the following events occurs:
 - 5.1.1. A receiver is appointed for [REDACTED] or for its property and assets;
 - 5.1.2. Proceedings under bankruptcy or insolvency laws are commenced by or against [REDACTED]
 - 5.1.3. [REDACTED] ceases doing business or discontinues offering maintenance for the Software.
- 5.2. Licensee has the option to request a License to use the source code of the Software for maintenance of the Tennessee Driver License System. In the event the Licensee decides to exercise this option, the Software source code will not be provided until the software licensing fee is paid in full by the State in accordance with Section C.3.c. of Contract No. 35930.
 - 5.2.1. If the Licensee decides to exercise this option, the Licensor and Licensee will enter into an Amendment to this Agreement or a new Agreement.
 - 5.2.2. [REDACTED] Software Maintenance will cease as soon as the source code is delivered to the State. The State will still have the option to retain support services offered by [REDACTED]
 - 5.2.3. Upon delivery of the [REDACTED] source code to the Licensee, the parties agree to remove Tennessee as a beneficiary of the Escrow Agreement.

6. CONFIDENTIALITY.

- 6.1. Licensee acknowledges that all of the Software and Documentation provided to the Licensee pursuant to this License, in any form whatsoever, are [REDACTED] "Confidential Information."
- 6.2. Licensee hereby agrees: 1) to hold all Confidential Information in confidence; 2) to use [REDACTED] Confidential Information only for the purpose for which it is disclosed; 3) to reproduce the Confidential Information only to the extent allowed under this License; and 4) not to disclose the Confidential Information to any third party without FAST's prior written consent.
- 6.3. Licensee agrees to take reasonable security precautions, at least as great as the precautions it takes to protect its own confidential information, in order to protect the confidentiality of [REDACTED] Confidential Information.
- 6.4. Licensee agrees that the Confidential Information disclosed under this Agreement is confidential pursuant to Tennessee laws, rules and/or regulations and that unauthorized disclosure of Confidential Information would be a violation of the Licensee's Acceptable Use Policy.
- 6.5. Licensee may disclose Confidential Information only to the Licensee's employees or consultants on a need-to-know basis. All Licensee employees who require access to Confidential Information will sign the Licensee's Acceptable Use Policy prior to receiving access to the Confidential Information.
- 6.6. At no time, under any circumstance, will any of [REDACTED] Confidential Materials be removed from Licensee property without the prior written consent of [REDACTED] "Licensee property"

includes, but is not limited to, real property and personal property such as Licensee owned laptop computers, Licensee owned jump drives, and Licensee owned CDs.

- 6.7 Licensee will notify [REDACTED] immediately upon discovery of any unauthorized use or disclosure of [REDACTED] Confidential Information or any other known breach of this Agreement by the Licensee, and will cooperate with [REDACTED] in every reasonable way to help [REDACTED] regain possession of the Confidential Information and prevent its further unauthorized use.
- 6.8 If the Licensee becomes legally obligated to disclose [REDACTED] Confidential Information by any governmental entity with jurisdiction over it, the Licensee will give [REDACTED] written notice sufficient to allow [REDACTED] to seek a protective order or other appropriate remedy. If disclosure cannot be avoided, Licensee will disclose only such information as is legally required and will use its reasonable best efforts to obtain confidential treatment for any of [REDACTED] Confidential Information that it so discloses.
- 6.9 Prior to disclosing Confidential Information to any third party (non-Licensee employees), the Licensee will require the third party and its employees to sign the Licensee's Acceptable Use Policy or alternatively, the non-disclosure agreement provided by Licensor in Attachment A.
- 6.10 Notwithstanding anything in this section to the contrary, the State is subject to and will comply with the Tennessee Public Records Act found at Tenn. Code Ann. Title 10 Chapter 7 Part 5.

7. LIMITATION OF LIABILITY.

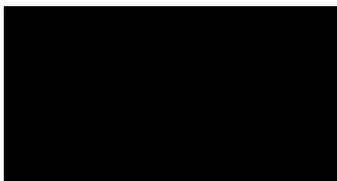
- 7.1. For purposes of this Section 7, [REDACTED] shall be deemed to include [REDACTED] and its employees, agents, representatives, subcontractors, and suppliers, and "damages" shall be deemed to refer collectively to all injury, damage, loss, liability, expense or cost incurred.
- 7.2. [REDACTED] shall not be liable for indirect, special, collateral, incidental, or consequential damages, or for lost profits, savings or revenues of any kind, whether or not [REDACTED] has been advised of the possibility of such damages. In no event shall a limitation of liability or warranty limit the liability of [REDACTED] or intentional torts, criminal acts, or fraudulent conduct.
- 7.3. In no event will [REDACTED] be liable for damages in connection with or arising out of the Licensee's negligent or willful misconduct with regard to Licensee's use of the Software or Documentation under this Agreement.

8. INDEMINIFICATION/SAVE HARMLESS. The Licensee shall indemnify and hold harmless [REDACTED] from any and all liability, claims, damages, costs, expenses, and actions, including reasonable attorneys' fees (collectively, "claims"), related to or arising out of this Agreement where such claims are caused by or arise from the negligent or wrongful acts or omissions of the Licensee, its employees, agents, or subcontractors under this Agreement. The Licensee shall have no indemnification obligation under this Section for claims arising out of the negligence or misconduct of [REDACTED]
9. TERMINATION. Either party may terminate this Agreement when the other has been provided written notice of default or non-compliance and has failed to cure the default or non-compliance within thirty (30) calendar days, after receipt of such notice.

10. ASSIGNMENT. This Agreement cannot be transferred or assigned without the mutual written consent of FAST and the Licensee.
11. USE OF THE JURISDICTION NAME. The Licensee agrees that [REDACTED] may, prior to, in the course of performance of this Agreement (or any order), or thereafter use the Licensee's name in advertising and promotional media as a customer or client of [REDACTED].
 - 11.1. The Licensor shall not refer to Contract No. 35930, this Agreement, or the Licensor's relationship with the Licensee hereunder in commercial advertising in such a manner as to state or imply that the Licensor or the Licensor's services are endorsed. It is expressly understood and agreed that the obligations set forth in this section shall survive the termination of this Agreement in perpetuity.
12. WAIVER. None of the provisions of this Agreement will be deemed to have been waived by any act or acquiescence by any party, but only by an instrument in writing signed by an authorized representative of the waiving party. No waiver of any provision of this Agreement will constitute a waiver of any other provision or of the same provision on another occasion. Failure to enforce any provision of this Agreement will not constitute waiver of such provision or any other provisions of this Agreement.
13. ENTIRE AGREEMENT. This Agreement represents the entire agreement between the parties regarding its subject matter, superseding any prior oral or written agreements or understandings relating thereto. However, during the term of Contract No. 35930, including any extensions, the terms and conditions of this Agreement shall be interpreted consistently with the order of precedence established in Section E.10 of Contract No. 35930.
14. SEVERABILITY. Should any one or more of the provisions of this Agreement be held invalid or unenforceable by a court of competent jurisdiction, it shall be considered severed from this Agreement and shall not serve to invalidate the remaining provisions of this Agreement.
15. BINDING NATURE; NO THIRD PARTY BENEFICIARY. The terms and provisions of this Agreement shall be binding upon and inure to the benefit of the parties, and their respective successors and assigns, and is made solely and specifically for their benefit. No other person shall have any rights, interest or claims hereunder or be entitled to any benefits under or on account of this Agreement as a third-party beneficiary or otherwise.
16. PRECEDENCE. If any term of this Agreement is in contradiction with another agreement on a different subject matter between the parties, the terms of this Agreement shall prevail unless the other agreement explicitly states otherwise.
17. AMENDMENT. This Agreement may only be enlarged, altered, voided or modified by a written amendment signed by [REDACTED] and the Licensee.
18. HEADINGS. Descriptive headings and Section/Paragraph numbering in this Agreement are for convenience only and shall not affect the construction or meaning of contractual language.
19. SURVIVAL OF CERTAIN AGREEMENT TERMS. Notwithstanding anything herein to the contrary, the parties understand and agree that all terms and conditions of this Agreement and the attachment

hereto which may require continued performance, compliance, or effect beyond the termination or expiration date of Contract No. 35930 and any amendments or extensions thereto shall survive such termination or expiration date and shall be enforceable by the parties as provided herein in the event of a failure to perform or to comply by either party.

20. FORCE MAJEURE. Neither party shall be liable or deemed to be in default for any Force Majeure delay in performance occasioned by unforeseeable causes beyond the control and without the fault or negligence of the parties, including, but not restricted to, acts of God or the public enemy, government actions, public disturbances, labor disturbances, fires, floods, epidemics, quarantines, restrictions, freight embargoes or unusually severe weather.
21. NOTICES. All deliveries, notices, requests, demands or other communications related to this Agreement that either party may be required or may desire to give to the other will be deemed received by the recipient when delivered personally; or by registered or certified mail, return receipt requested; or by overnight carrier; or upon telephone confirmation to sender of receipt of a facsimile or email communication which is followed by a mailed hard copy from sender. Communications should be addressed as follows:



Tel:

Fax:



LICENSEE:

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

22. GOVERNING LAW. This Agreement shall be governed and construed in accordance with the laws of the State of Tennessee. The Licensor 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 Licensor acknowledges and agrees that any claims against the State of Tennessee or its employees hereunder, and any remedies arising therefrom, shall be subject to and limited to those claims and remedies, if any, available under *Tennessee Code Annotated*, Sections 9-8-101 through 9-8-407.

ACCEPTED AND AGREED TO:

Bill Gibbons, Commissioner
Print name and Title

Bill Gibbons
Signature

Date: 7/9/13

ACCEPTED AND AGREED TO:

 LLC

Per:


Print name



Date: June 21, 2013